

## Frantic Rescue Efforts Go On For Armenian Quake Victims

By Phil Taubman  
New York Times Service  
MOSCOW — With the national economy beginning to be strained by a diversion of resources to Armenia, frantic rescue efforts continued there on Tuesday to free people still pinned beneath the rubble from the earthquake last week.

A nighttime curfew was imposed in Leningrad, one of the cities most severely damaged by the earthquake, after looting and other disorders on Monday night, the government said.

Soldiers in bullet-proof vests patrolled the devastated city after wrecks and shops were looted. Communist Party daily Pravda said. The disorders were the first reported in the quake area.

Aid from around the Soviet Union and from abroad flowed to Armenia, including desperately needed heavy-duty cranes to lift remains of collapsed buildings, newspapers reported that rail lines

across the country were clogged with special trains headed for Armenia and that construction projects in distant sites were coming to a halt as equipment was diverted to the disaster area.

The reports suggested that the aftermath of the earthquake could inflict significant damage on the economy during a month when industrial enterprises normally work feverishly to fulfill annual targets for production.

Criticism mounted about shoddy construction in the quake zone that contributed to the heavy casualties, as experts said there should have been a three-story limit on buildings in the earthquake-prone region instead of the nine-story design that was common.

Hundreds of apartment buildings crumpled during the quake, burying tens of thousands of people beneath steel girders and heavy slabs of concrete.

The earthquake left at least 55,000 people dead, according to

the latest official count, and more than 12,000 injured and 500,000 homeless. The relief effort has been hampered by disorganization, a lack of rescue equipment and medical supplies and a renewal of sporadic ethnic disturbances in Armenia and the neighboring republic of Azerbaijan.

Gennadi I. Gerasimov, a Foreign Ministry spokesman, said at a news conference in Moscow that 5,400 survivors had been rescued from under the debris in the northwest area of Armenia, where the earthquake hit with devastating force last Wednesday.

Mr. Gerasimov said 13,100 people killed by collapsing buildings had been found and removed from the rubble for burial.

Pravda reported Tuesday that Mikhail S. Gorbachev told officials in Armenia on Sunday that rescue efforts should be stepped up because many people might still be

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Yasser Arafat, the PLO chairman, addressing the UN General Assembly in Geneva on Tuesday.

## Arafat Appeals For Peace Talks In UN Address

### But the PLO Leader Avoids Open Endorsement of Israel

By Edward Cody  
Washington Post Service  
GENEVA — Yasser Arafat, the chairman of the Palestine Liberation Organization, made a dramatic appeal on Tuesday for peace negotiations between Palestinians and Israelis at an international conference that he said would "respect the right to exist in peace and security for all."

Mr. Arafat, addressing the United Nations General Assembly, which was convened in Geneva after he was refused a visa to enter the United States, said a relaxed international atmosphere had created a historic, possibly irreplaceable opportunity to work out a peace agreement between Israel and its Arab neighbors, including a Palestinian state that could be federated with Jordan.

In Washington, the State Department said that Mr. Arafat had made some "interesting and positive" points but that his speech had fallen short of meeting U.S. conditions for opening a dialogue with the PLO, United Press International reported.

[The State Department spokesman, Charles E. Redman, said the formula expressed by Mr. Arafat failed to meet any of the conditions laid down by the United States: recognition of Israel's right to exist, acceptance of UN Security Council resolutions on peace and negotiation in the Middle East and renunciation of the use of terrorism.]

Mr. Arafat's much-awaited speech appeared to make more explicit the commitments undertaken Nov. 15 in Algiers by the Palestine National Council, which serves the PLO as a parliament in exile.

But the speech retreated from his comments at a meeting with five American Jews last Wednesday in Stockholm, where he endorsed a statement saying explicitly that he

"accepted the existence of Israel as a state in the region."

In a gesture clearly meant for the United States, Mr. Arafat condemned terrorism "in all its forms" and said an international peace conference must be based on UN Resolutions 242 and 338. These resolutions, which until recently were rejected by the PLO, recognized the right of all nations in the region to live within secure and recognized borders.

Mr. Arafat said, according to an English-language text of the address made available by the PLO: "The PLO will seek a comprehensive settlement among the parties concerned in the Arab-Israeli conflict, including the state of Palestine, Israel and other neighbors, within the framework of the international conference for peace in the Middle East on the basis of Resolutions 242 and 338 and so as to guarantee equality and the balance of interests, especially our people's rights in freedom, national independence, and respect the right to exist in peace and security for all."

"I ask the leaders of Israel to come here, under the sponsorship of the United Nations, so that, together, we can forge that peace."

"I say to them, as I say to you," Mr. Arafat went on, "that our people, who want dignity, freedom and peace for themselves and security for their state, want the same things for all the states and parties involved in the Arab-Israeli conflict."

Mr. Arafat, dressed in a khaki uniform and his customary checkered headscarf, said several times that this means the PLO was seeking a peace accord that created a Palestinian state alongside Israel. But at the same time, he stopped short of a clear-cut declaration, in

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## U.S. Trade Bill: A New Tone

### But Partners See a Threat

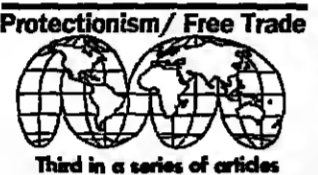
By John Meehan  
International Herald Tribune  
NEW YORK — When President Ronald Reagan signed the 1,000-page Omnibus Trade & Competitiveness Act in August, he did more than end a fractious three-year debate with congressional trade critics. More important, the law sets a new tone in the way America deals with its trading partners — one that will probably increase tensions even if it produces no initial policy shifts.

In many ways the legislation appears relatively neutral, a classic study in congressional compromise. It does not erect any new trade barriers. There are no significant tariff increases or new quotas. In fact, it empowers the president to negotiate away existing levies in trade talks with other nations.

Yet, officials of the European Community have vilified the law for what they see as protectionist overtones. The Japanese trade and industry minister, Hajime Tamura, branded it "racist."

Indeed, the trade law is not without teeth. The legislation grants the president sweeping unilateral powers to raise tariffs and impose barriers against nations found to be guilty of unfair trading practices.

"It creates a new kind of political pressure on the president to do



something," said Mark Andersen, an economist with the AFL-CIO.

Moreover, the trade law reflects Washington's increasing impatience with its Asian and European trading partners and is a highly visible sign of its toughening attitude as it comes under increased pressure to trim the U.S. trade deficit. By ensuring that U.S. complaints will receive wide publicity, the measure is very likely to worsen trade frictions.

At the least, President-elect George Bush is expected to maintain policies to promote what economists describe as "selective" protectionism.

Just days before the presidential election, for example, Mr. Bush said for the first time that he would continue steel import restraints, even though the U.S. steel industry has made a strong recovery. The current agreement with 18 steel-exporting nations expires in September. Trade specialists believe he is likely to continue quotas in other areas as well in response to pressures from domestic industries.

"It's a winning political formula at home," said Gary Hufbauer, a

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## Germans Less Hopeful About EC, Poll Finds

By Ferdinand Protzman  
International Herald Tribune  
FRANKFURT — While most European Community nations are hushly singing the praises of a united Europe with a single market, the latest opinion polls show many West Germans are humming a contrapuntal tune of skepticism, angst and ignorance that could dramatically slow progress toward those goals.

A report published Tuesday by the Institut für Demoskopie in Allensbach, West Germany's most respected opinion-research institute, indicates that a dwindling minority of Germans consider European unity particularly important, while a solid minority view the single EC market planned after 1992 with more fear than hope.

There also appears to have been a dramatic shift in opinion during 1988 on how fast the development of a united Europe should proceed. In September, only 34 percent of those surveyed said the development should go faster, a sharp drop from 51 percent in January.

In pan-European surveys, only British citizens showed less inclination than West Germans to embrace the notion of united Europe, said Elisabeth Noelle-Neumann, the director of the Allensbach Institute, who wrote the report.

One of the most startling aspects of the polls is that they show a clear trend among West Germans over the past five years toward less interest in European unity, she said.

Only 25 percent of respondents surveyed in October 1988 said they considered "joining the West European nations together to form a 'United Europe' to be particularly important." That represented a drop of eight percentage points from May 1983, when the question was first posed, and a decline of 15

points from a peak of 40 percent in the summer of 1985.

Mrs. Noelle-Neumann said those opinions coincide with widespread ignorance about the issues.

In a summer survey, 88 percent of respondents said they felt poorly informed about the EC's plans for after 1992, according to an Allensbach survey. That level was unchanged from the results of a survey by the International Research Institutes in November and December of 1987. Two out of five, or 38 percent of West German citizens, did not know that Chancellor Helmut Kohl had held the rotating EC presidency for the first six months of 1988.

When asked during the West German EC presidency if they viewed the single market of 1992 more with hope or more with fear, 40 percent of those questioned said fear, and 29 percent hope. By mid-year, however, optimism had

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## For U.S. and Israel, the Main Obstacles Remain

### Shamir: 'Monumental Act at Deception'

By Joel Brinkley  
New York Times Service  
JERUSALEM — Prime Minister Yitzhak Shamir, apparently speaking on behalf of both major factions in the Israeli government, said Tuesday that Yasser Arafat's invitation to Israel for peace talks was deceptive "double-talk" intended to "create an impression of moderation."

Mr. Arafat, chairman of the Palestine Liberation Organization, did not explicitly recognize Israel's right to exist, Mr. Shamir said, and had not stopped his followers from carrying out "terrorist acts."

"We're witnesses to the PLO's monumental act at deception," he said after studying the text of Mr.

Arafat's remarks before a United Nations session in Geneva.

But Mr. Shamir's stance remained that, as far as he was concerned, Israel would never talk with Mr. Arafat, no matter what the PLO leader said or did.

"We are not ready and will never be ready to talk to the PLO," he said.

Foreign Minister Shimon Peres offered no public remarks on Mr. Arafat's speech.

Early in the day, a Foreign Ministry official said Mr. Peres would speak only if his reaction differed from Mr. Shamir's. As a result, the Israeli government seemed to speak in one voice.

The Foreign Ministry said Mr.

Peres would present his views at a cabinet meeting Wednesday.

The Labor and Likud parties are nearing the final stages of negotiations to form a joint government. This is perhaps one reason Mr. Peres elected not to react Tuesday to Mr. Arafat's speech.

Mr. Shamir said he believed Mr. Arafat's remarks on Tuesday and in recent weeks obliged "Israel to unite its forces and create a united political front."

Meanwhile, remarks by Yossi Beilin, a Labor member of parliament who is close to Mr. Peres, mirrored those of Mr. Shamir.

"The problem isn't just saying but an actual ceasing of terror acts,"

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### Washington Sees Ambiguity

By David B. Ottaway  
Washington Post Service  
WASHINGTON — The Reagan administration said Tuesday that Yasser Arafat, chairman of the Palestine Liberation Organization, failed again in his speech before the special UN General Assembly session in Geneva to address "clearly, squarely and without ambiguity" U.S. conditions for the start of a "substantive dialogue."

"The speech contained some interesting and some positive developments," said Charles E. Redman, a State Department spokesman. "But it continued to be ambiguous on the key issues which must be clearly addressed in order for the United States to enter a

substantive dialogue with the PLO."

Those issues are PLO acceptance of UN Resolutions 242 and 338 as a basis for peace talks, explicit recognition of Israel's right to exist and rejection of terrorism in all its forms.

"These issues must be addressed clearly, squarely and without ambiguity," Mr. Redman said. "That didn't happen, and as a consequence the speech did not meet our conditions."

The formal U.S. assessment came after the United States provided a third party, reportedly Sweden, with the precise wording Mr. Arafat needed to use to solicit a positive response and was told he was ready finally to meet those criteria.

On the basis of this assurance, the administration on Monday informed the Israeli ambassador here, Moshe Arad, that the United States was likely to begin a dialogue with the PLO, a decision certain to cause considerable strain between Washington and Tel Aviv and a sharp negative reaction in Israel.

Mr. Redman confirmed Tuesday that the United States had provided unnamed third party intermediaries "in very explicit, specific terms" what U.S. conditions were for a dialogue. He also said Washington had received "suggestions" that Mr. Arafat was prepared to meet those terms.

But he denied that the State Dept.

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## Kiosk

### Brezhnev's Kin

### Faces Sentence

MOSCOW (Reuters) — The Soviet state prosecutor demanded Tuesday that Yuri M. Churbanov, son-in-law of Leonid I. Brezhnev, the former Soviet leader, be jailed and spend time in a labor camp for corruption.

Mr. Churbanov, 52, first deputy minister of the interior under Mr. Brezhnev, showed no emotion as the prosecutor, Alexander Sheyev, sought a sentence of five years in jail and 10 years in a labor camp.



Down, out, cold and homeless in New York. Page 3.

### General News

South Africa, Cuba and Angola signed a pact to end the war in southern Africa. Page 2.

### Business/Finance

A surge in spending on cars and other large items sent U.S. retail sales up 1.1 percent in November. Page 13.

Dow Jones	1,748
Close	1,748
Up	1.82
3.91	123,275
FF	5,977

## Umberto Eco's New Mantle of Fame

By Clyde Haberman  
New York Times Service  
BOLOGNA — Nothing may succeed like success in the United States, but life for Italians is more complicated, Umberto Eco was saying.

"In the United States," he said, "there's a Puritan ethic and a mythology of success. He who is successful is good. In Latin countries, in Catholic countries, a successful person is a sinner. In Puritan countries, success shows God's benevolence. In Catholic countries, you're sure God loves you only when you've suffered."

That is why he wears his fame uneasily, Mr. Eco said, as someone might a topcoat that is a couple of sizes too big.

Even if he has not suffered consciously of late, somebody up there obviously likes him.

Eight years ago he published his first novel, "The Name of the Rose," and it became a sensation, turning a highly respected scholar into an internationally best-selling author

and as close to a household name as a semiotic professor is ever going to get.

"Rose," an elaborate weaving of mystery, erudition and medieval mumbo jumbo, has sold nine million hard- and soft-cover copies in 24 languages, including a few that the polyglot Eco cannot speak or read.

Now he has done it again with a second novel, "Foucault's Pendulum," which has made tatters of Italy's best-seller lists. According to his Milan-based publisher, Bompiani, the book has sold 400,000 hard-cover copies since it was released in October. At one point it was outselling any other entry in Italy's top 10 by roughly 100 to 1.

As much as a literary work, "Foucault's Pendulum" is a pop-culture phenomenon that got rolling last summer when Italian newspapers succumbed to "Ecomania" in trying to pry themselves loose from their August doldrums. They practically tripped over one another racing into print with tidbits about what the yet-to-be-published book was about. Some articles were even accurate.

Wittily or not — he says absolutely not — Mr. Eco contributed to the frenzy by saying almost nothing on the subject. As soon as "Foucault" hit the stores, Italians hurried to be the first on their block to carry a copy, and perhaps understand it, too. There was a spillover effect that also did wonders for "The Name of the Rose." For a while, the Eco novels were a one-two combination at the top of best-seller lists.

"People buy Eco's book without really knowing what it contains," a sociologist, Francesco Alberoni, wrote in the national newspaper Corriere della Sera. "They buy it because it has been the object of a great wit, like the first launching of man to the moon or the big soccer finals."

Sales remain brisk, and there is every reason to assume that "Foucault" will do well in other countries, a process well under way on several linguistic fronts. An English version by William Weaver, an American writer who

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Sandinista leaders have issued an ovation proclamation, but they say the level of combat has dropped dramatically this year.

"I doubt we'll ever have to go back to fighting a war like the one we fought these last years," an official said last week in Managua, where the war against the contras is often discussed in the past tense.

"There will be armed bands out in the hills for years, but no longer a coordinated insurgency," the ambassador of a South American country said. "You can't put a guerrilla army in suspended animation for months or years and then start it up again whenever you like."

to a cease-fire signed March 23 at the village of Sapot, the contras agreed to lay down their weapons in exchange for major political concessions by the government.

The political process intended to follow the truce has not proceeded well, and negotiations have dissolved in bitter recriminations. In the meantime, the U.S. Congress has refused to appropriate new military funds for the contras, and without that money the insurgency is paralyzed.

Thousands of contra foot soldiers have retreated to bases inside Honduras. Disension among commanders has sapped the troops' morale, and some widely ad-



Umberto Eco: "In Catholic countries, you're sure God loves you only when you've suffered."



# Even Amid Killer Urban Cold, Homeless in U.S. Shun Shelter

By James Barton  
New York Times Service

**NEW YORK** — With severe cold enveloping the Northeast and the Midwest, the urban homeless are suddenly faced with a life-or-death decision: where to go for the night.

And officials are again faced with the yearly cold-weather problem of how to persuade homeless people to leave the streets and check into humane city shelters that they so often fear.

In Boston, police in vans cruised downtown neighborhoods, offering the homeless coffee and doughnuts and rides to the nearest shelter. In Philadelphia, similar efforts convinced about half the 72 people found living on the streets to go to shelters.

"In every city in the country there are some people who would refuse anything that's offered to them," said Tom O'Hara, a city official in Philadelphia.

The problem was particularly acute in New York City, where many homeless people say they find any habitat — even a doorway or a sidewalk heating grate on a night of 5 degrees Fahrenheit (minus-15 centigrade) — more inviting than the city's cavernous and sometimes dangerous shelters.

"There are fights and confusion in the shelters," said a woman sitting on the sidewalk at 42d Street and First Avenue, across from the UN Building, late Sunday night. "So I stay outside."

That same night, with dozens of beds available in city shelters, an unemployed middle-aged man named Edmund Butler settled onto a bench in Manhattan's Tompkins Square Park. A friend said Mr. Butler had spent the evening drinking. His hands were bare and he had only an overcoat and two blankets. He was found there, dead, Monday morning.

His death, on the city's coldest Dec. 12 on record, illustrates New York's difficulty in keeping the homeless out of the cold despite detailed plans to help them.

Police officers are supposed to watch for homeless people in the course of normal patrols. The officers are to ask if they want to go to the nearest shelter. If they say yes, the

police are to take them there; if they say no, they're to be taken to a city hospital. On Sunday night the police took 18 people to shelters and one to a hospital.

Advocates for homeless people said Monday that most were able to find some kind of refuge Sunday night. But even in the coldest weather, they added, the homeless are reluctant to enter the Dickensian world of the city's shelters.

"Demand for shelter is more related to the quality of shelter than

**'Demand is more related to the quality of shelter than to temperature. On the first really cold nights, folks resist checking their dignity at the door of a city shelter.'**

Robert M. Hayes, of the Coalition for the Homeless.

to temperature, so decent shelters throughout the year are filled to capacity," said Robert M. Hayes of the Coalition for the Homeless, a nonprofit group.

"Bitter weather does not, on the whole, make the barracks shelters less intimidating. On the first really cold nights in the beginning of winter, folks resist checking their dignity at the door of a city shelter."

City officials acknowledge that conditions in the shelters are not perfect, but they maintain that the safety of the shelters is good enough to attract as many as 10,000 people a night. Many of the rules, however, complain that the rules governing behavior in the shelters are too severe.

On Sunday night and again Monday, it was not hard for a reporter to find homeless people on the streets. Outside a city-run shel-

ter Sunday night in the Washington Heights section of Manhattan, several men said they had been barred from entering. Standing in the vestibule, the men said they had arrived by bus from Grand Central Terminal. But the bus arrived 10 minutes after the shelter's 10 P.M. curfew, they said, and they were told they could not go in.

Inside the bungalow-like building, the supervisor, Robert Francis, was looking for empty beds among the 850 set up in rows under one roof. On a cold night, he said, they reach capacity before the curfew.

In Boston, shelters that normally close during the day stayed open around the clock. The city set up emergency beds that quickly filled up, many with homeless brought in police vans.

In Chicago, nonprofit agencies said that with estimates of the number of homeless ranging from 25,000 to 40,000, there were only 2,800 beds available in public and private shelters.

Detroit's homeless population is estimated at 25,000, with only 1,300 beds available, according to the Salvation Army. No one has been turned away since the cold weather settled in, said Colonel Clarence Harvey of the Salvation Army, but he added, "We're not caring for people in a humane way."

"Our beds were filled before the cold snap, but we're housed to capacity all year long," he said. "In the winter, we put them in hallways, on the floors and force children to live in a communal environment."

**■ Reprieve in Sight**  
Arctic temperatures lingered Tuesday over the East Coast, but a reprieve was in sight from the season's first big chill, which contributed to at least six deaths, stalled cars and burst pipes from the Great Lakes to the south, United Press International reported from New York.

Temperatures were expected to climb to above freezing by Wednesday as another weather system nudged the arctic air eastward, said a meteorologist with the National Weather Service in Kansas City, Missouri.

## AMERICAN TOPICS

### Towns Find Profit In Going to Extremes

Bullhead City, Arizona, claims to be the hottest town in the United States and International Falls, Minnesota, the coldest. Other communities have disputed these claims. The Washington Post reports, but the two cling to their unofficial titles for hardheaded economic reasons.

Bullhead draws "people who come here for the winter because they've heard what the temperatures are in the summer," says John Boudouine, a fire fighter who keeps track of the temperature. "They figure if it's so hot in the summer, it must be great in the winter."

Indeed, recorded temperatures have been hotter than ever since local businessmen moved the town thermometer from a grassy lawn to a rocky hill behind the fire station. The temperature frequently goes over 100 degrees Fahrenheit (38 centigrade) and in 1983 it reached 126°.

In International Falls, champi-



**LATE START, FAST FINISH** — Isaac Shongwe, who was raised in the South African ghetto township of Soweto, was not able to begin school until he was 13. This week, Mr. Shongwe, a 1987 graduate of Wesleyan University in Middletown, Connecticut, was honored with a prestigious Rhodes scholarship for study at Oxford University in England.

oning the cold has "provided the tourism that we need at a time when we need it," said Myrna Ahlgren, secretary to the town's airport commission. A popular resort in the summer, the city has lured businesses each winter by promising them sub-freezing temperatures to test equipment.

They come "to test batteries, braking systems," Ms. Ahlgren said. "They've tested helicopters and outdoor clothing, a whole variety of things."

Sam McCowan, supervising meteorologist at the National Climatic Data Center in Asheville, North Carolina, says he shies away from calling any place hottest or coldest because "there's a lot of ways that people come up with statistics."

### Short Takes

A severe shortage of low-cost housing has become apparent in Los Angeles, with 40,000 families living in garages and 25 percent of renters paying more than half their income for rent, a city committee has reported. It recommended immediate, drastic measures like a delay on earthquake-proofing programs, a 300-percent increase in spending on housing and a slowdown in projects that would demolish low-rent dwell-

ings. Delaying the earthquake program, said Gary Squier, city housing coordinator, "is a tough one," given that residents of such buildings would be the most likely to die in a major quake.

The city council has declared Sausalito, California, a "cholesterol-free zone." The nonbinding action is aimed at promoting healthy eating in the affluent San Francisco suburb's restaurants.

"The local ice cream parlor has eight different dishes of fat-free ice cream," said Fred Mayer, the pharmacist who dreamed up the campaign. "In most restaurants you have to really fight hard" to cut down on rich meals, he added. "In Sausalito they're going to ask you, 'Do you want margarine or butter?'"

"For people who are bored with hearing about 'Mensa' (those brilliant folks with out-of-this-world IQs)," reports Ann Landers, the advice columnist, "there is now 'Densa,' formed by J. D. Stewart of Rochester, New York, an employee of Eastman Kodak. This is a society for anyone who scores in the bottom 98 percent of a test that starts with 'Who is buried in Grant's tomb?'"

Arthur Higbee

## Ouch! Just \$89,500 a Year

**WASHINGTON** — Top people are "leaving the government in droves" because salaries, including the \$89,500 paid to members of Congress, are not enough to assure their families' futures, the chairman of a presidential commission said Tuesday.

The commission, which is reviewing the government's top pay levels, will apparently recommend hefty salary increases for legislators, federal judges and senior executive branch employees.

"Over the last 20 years, the average American has done slightly bet-

ter than inflation, whereas our top government officials have seen their salaries eroded by inflation by some 35 percent," said the chairman, Lloyd Cutler. "As a result, a lot of our best people — judges, executive branch officials, even congressmen — are leaving the government in droves, and many people are now refusing to serve."

### New Orleans Bishop Resigns

**WASHINGTON** — Pope John Paul II has accepted the resignation of Archbishop Philip M. Hannan, 75, of New Orleans.

**SANDEMAN FOUNDERS RESERVE PORT. NO LONGER RESERVED FOR THE ENGLISH.**

## U.S. Indians Re-Stake Claims

6 Centennials to Try to Tell Both Sides of History's Story

By Timothy Egan  
New York Times Service

**SEATTLE** — As six Western American states prepare to celebrate their centennials in 1989 and 1990, official historians are having far more trouble telling the story of how the West was won than they did the first time around.

The state governments, aware that Indian groups have been critical of how they are portrayed in many history texts, are trying to include more of the perspective of Native Americans in the commemorative histories and events scheduled for the next two years.

But as self-examination vies with self-promotion, the states are also trying to attract tourists to see the very cowboy monuments that many tribes find so insulting.

The situation has led to considerable bitterness and division on the centennial commissions of Washington, Idaho, Montana, Wyoming, North Dakota and South Dakota.

The North Dakota commission stepped on a historical land mine by agreeing to spend \$2 million in federal money to refurbish the cavalry post where Lieutenant Colonel George Armstrong Custer spent his last days before riding into history at the Little Big Horn. This effort has outraged some Native Americans, who consider Custer a psychotic Indian-hater.

Across the border in Montana, where Custer died in the 1876 ambush by the Sioux and Cheyenne, his name is gold to the tourism industry. "When the Japanese come over here, all they ever talk about is Custer," said Lieutenant Governor Gordon McOmber.

Washington is another state where there is little neutral feeling over the painful episodes that are emerging as the states look back. Historians of the Northwest

have long glorified the work of Dr. Marcus Whitman, a Christian missionary killed by Cayuse Indians at his mission on the Columbia River in 1847. Some Indian historians say Dr. Whitman helped bring disease that wiped out many tribes and that he contributed to the stripping away of Indian culture.

"There is a crying and urgent need for all voices to come forth in this centennial," said Sandy Osawa, a Makah from the Washington coast. "But instead, state officials want totem poles and canoes. There is an appreciation only of the safer aspects of Indian life."

Ms. Osawa, who makes documentary films, was turned down for a \$65,000 centennial grant to tell the story of Washington's Indians. The production money went to a non-Indian. Ms. Osawa is considering a lawsuit against the state.

"What bothers so many Indians is that we've been denied the right to tell our own story," she said. "We don't have a voice in our own image-making."

Washington centennial officials deny they are excluding Native American voices. They cite many Indian community celebrations, a re-creation of a Native American village and a major effort to trace and retrieve coastal Indian art that has been scattered among collectors around the world.

Montana officials have run into just the opposite problem, meeting stiff resistance when they try to get Indians to participate in some commemorative events.

Mr. McOmber said most Indians in Montana had a deep distrust of government. "I went to one reservation to try and enlist their support and the response was that the first hundred years federal government took their rights and the second hundred years the state is after them," he said.

Indians were enthusiastic about

at least one event in Montana's history. "One tribe wants to reenact the signing of their treaty to remind everyone how they came out on the short end of the stick," the lieutenant governor said.

In seeking to resolve competing claims to the past, some states are presenting two versions of an event or a trend.

"Two tour guides, one Indian and one non-Indian, will be on hand to offer different sides of the story at the site of a battle at Fetterman Ridge, a highlight of Wyoming's 1990 celebration. "Our mission is to re-educate people," said Bob Spoonhunter, director of the Native American Institute on Wyoming's Wind River Reservation.

South Dakota has spent grant money both for an official history and for "Who's Who Among the Sioux," a book written by a Native American.

North Dakota has authorized an Indian official seal and a non-Indian official seal for its centennial. The state legislature, while appropriating money to commemorate high points of whites' settlement, also allocated funds for an extensive curriculum of Indian studies for all public schools.

"Attitudes have changed," said Sebastian Hoffer, director of the North Dakota centennial commission. "Both sides of the story will be told. It won't be like the movies, with winners and losers."

### Power Outage Grips Kuwait

**KUWAIT** — A massive power outage hit Kuwait on Tuesday, causing the closing of offices, banks and shops throughout the northern Gulf state for at least seven hours and sending thousands home early from work.

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The World Grieves

"At the beginning, there was nothing... no cranes, no cutting gear, no lights, nothing... just 60 people standing up there and yelling at each other."

earthquake devastated Ashkhabad, capital of Turkmenia, killing half the city's 200,000 inhabitants. The Soviet press published a paragraph or two at the time; the disaster's true toll was not officially confirmed until this year.

Reining In the Pentagon

The Reagan military buildup was needed. The flaw was always that it lacked a strategy and thus any upper limit. The incoming administration has already indicated an intention to repair these defects.

creating the conditions for a train wreck. Last year, as part of an election-time budget truce with Congress, the Pentagon agreed to lower its long-term expectations to real growth of 2 percent a year.

Cut an Agriculture Deal

Global negotiations to reduce trade barriers are threatened by a deadlock on farm policy between the United States and the European Community. A potent bloc of Latin American countries refuses to make any deals on non-farm trade until the farm issue is settled.

U.S. negotiators in Montreal went so far as to look up synonyms for "eliminate" in Roger's Thesaurus. Nothing worked. Farm subsidies needlessly soak up billions, and over-generous subsidies by a few wealthy countries cause undue hardship for dozens of efficient Third World producers.

Turn the Page on Reagan's 'Revolution'

By Tom Wicker

NEW YORK — Say this for Ronald Reagan, as his eight years in the White House near their end: He was one of the few presidents to take office with a definite program, then to achieve most of it.

Cold War. Mr. Reagan and George Bush assured Mr. Gorbachev at a friendly luncheon that they hoped for the success of his campaign to improve the economy and political system of what Mr. Reagan used to call the "evil empire."

a further buildup. Particularly because of budget pressures, he will be hard-pressed even to build inflation into the Pentagon budget, much less to increase real expenditures. Pressures are even building for a rollback in deregulation, one of Mr. Reagan's strongest promises and most touted accomplishments.

their backs." Crowded, perhaps unsafe airlines and airports, continuing scandals about toxic waste disposal, safety problems in the workplace, the savings and loan crisis (which the General Accounting Office warns could "imperil the safety and soundness of the banking system"), Mr. Bush's campaign pledges to crack down on environmental hazards, even the 1987 stock market crash — all contribute to the public sense that, in the matter of deregulation, enough is enough and perhaps too much.



'A Man of Common Opinion and Uncommon Abilities'

A tribute to Ronald Reagan from Margaret Thatcher:

NO ONE can doubt that President Reagan possesses the ability to lead to an unusual degree. Some of the constituent qualities of that leadership are his firm convictions, his steadfastness in difficult times, his capacity to infuse his own optimism into the American people so that they restored their belief in America's destiny.

face of personal danger, no thought for himself but instead a desire to reassure his family and the nation by jokes and good humor. The second is that he holds opinions which strike a chord in the heart of the average American. The great English journalist, Walter Bagehot, once defined a constitutional statesman as a man of common opinion and uncommon abilities.

Beijing and Moscow: An Opportunity for the West

By Gerald Segal

LONDON — There can be no doubt of the importance of the recent first visit since 1956 by a Chinese foreign minister to Moscow. The three obstacles that China set before a Chinese-Soviet summit could be held have been removed.

The impact extends beyond the bilateral relationship because these reductions have been accomplished without transferring Soviet troops to the European theater — the nightmare of NATO planners. Chinese-Soviet détente has been imposed on North Korea. The Seoul Olympics could not have been so successful without rapprochement between Pyongyang's two big patrons.

thing for the United States to worry about. But the Europeans do have a constructive role to play, especially in this critical period of simultaneous improvement in relations between the United States and the Soviet Union and China and the Soviet Union. Asian and European security have never been so closely intertwined.

Arafat: Try Accentuating the Positive

By Philip Geyelin

WASHINGTON — A useful lesson lies in the Cuban missile crisis of 1962 and the management by the Kennedy crisis-handlers of the ambiguity in two crucial messages from Nikita Khrushchev. The first message was distinctly less threatening than the second. It was Robert Kennedy's bright idea to accentuate the positive. So the tougher message was ignored in favor of the one that offered the best way out.

United States as an increasingly influential and sympathetic figure in the continuing crisis that goes by the name of the Arab-Israeli conflict. How come? It is too easy to credit Mr. Shultz's self-indulgent, shortsighted denial of the visa. It is hardly worth blaming him for his marginal role in the rehabilitation of Mr. Arafat. The administration he serves is shuffling off the stage in any case; its legacy in the Middle East is perilously close to U.S. irrelevancy.

100, 75 AND 50 YEARS AGO

1888: An Offer to Canada WASHINGTON — In the House of Representatives today (Dec. 13), Mr. Butterworth, member for Ohio, introduced the following resolution: "That the President be empowered to invite negotiations with a view to the assimilation and unity of the people of Canada and the United States under one Government, such unity and assimilation to be based upon the admission of the several provinces of the Dominion or any one of them into the Union of States, on the same terms of equality with the several States now composing the Union, and the assumption by the United States of the indebtedness of Canada, or a just proportion thereof."

1938: Canals Targeted BERLIN — The thinly veiled hint crossed that a future date the increasingly close combination of Germany, Italy and Japan under the anti-Comintern pact may raise the question of the internationalization of the Panama Canal is contained in Nazi press comment on Italy's new drive for a change in the status of the Suez Canal. The "National Zeitung" of Genoa, organ of Marshal Hermann Goering, says bluntly, "in the future the international waterway will have to become the common property of those who are interested in its preservation." This comment follows directly on an editorial in the semi-official "Voelkischer Beobachter" supporting Italy's Suez Canal campaign.

1913: Railway in China PEKING — Negotiations have been concluded by Lord French, representing Messrs. Pauling and Company, Limited, railway contractors of London, for financing the construction of eight hundred miles of railway in China. This is the first agreement for constructing a railway in China with the contractors' profit on a fixed percentage basis and inaugurates the definite railway system with Hankow as center.

Other Comment

Don't Build on Trading Blocs

The just-concluded meeting of the General Agreement on Tariffs and Trade in Montreal exhibits the challenges facing multilateralism in international economics. It is becoming increasingly obvious that the formation of trading blocs is the single most important problem confronting the international economic system. These blocs would most certainly come into conflict with one another, leading to tariff wars and a general drift toward protectionism which can only mean a reduced economic cake for all in the long run.

— Business Times (Singapore)

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Dolla

NEW YORK — In moderate interest rate, the dollar is expected to remain steady in the near future. Traders bought short positions in the dollar market, but the dollar's price is expected to remain steady in the near future.

Analysts

NEW YORK — The plans to stabilize the dollar during the next few years are expected to be successful. Analysts believe that the dollar's price will remain steady in the near future.

Tuesday Price... MS&Q... The Associated...

Financial data and market information including various stock prices and market indices.

OPINION

Visiting Perm 35: When Will They Restructure the Gulag?

By A. M. Rosenthal

CHUSOVOY, U.S.S.R. — Sometimes, the snow swirls low across the road drifting in from the forests. The world is pine and white prairie, entirely. It is like traveling through one of those gentle dreams of cloud.

We are in deep Russia, Moscow is about 1,000 miles away by air and then four hours by road through the foothills of the Ural Mountains. Here European Russia ends and the great eastward stretch of the Soviet Union begins.

"Beautiful, isn't it?" the young driver says, and for a long time nobody says anything else. We just float through the whiteness and the peace.

Then the road ends at barbed wire. We get out at the prison camp.

Perm 35 is part of the chain of prisons, labor camps, insane asylums and frozen villages of exile where governments locked away those who opposed them in word or thought, sometimes for decades. No foreigner had been allowed into Perm 35 before.

ON MY MIND

The camp, named for the industrial city 80 miles away, became a hated symbol of the whole Soviet network of political imprisonment and torture through hunger, cold and isolation.

For all his time in power, Mikhail Gorbachev denied that the Soviet Union held political prisoners. But in the city of Perm, in a tiny hotel room with a large television set, we watched Mr. Gorbachev as he told the United Nations that "no longer are people kept in prison for their religious and political views."

We knew that was not quite so. But it was a fine moment of history — Mr. Gorbachev acknowledging publicly the reality of the gulag, and so of the existence of Perm 35.

We knew that before Mr. Gorbachev visited New York all the prisoners were freed from Perm 35 and other prisons who had been incarcerated solely under the infamous Article 70 of the Criminal Code. That sets the price for almost any kind of expression distasteful to the Soviet government: 10 years of prison, plus 5 years of exile, usually to Siberia.

But we also knew that still in cells were many prisoners convicted of crimes like trying to leave their own country. And we knew that it was not only a matter of numbers but of demolishing the laws of political imprisonment and the state power to enforce them, which still exist.

Still, plainly things are changing under Mr. Gorbachev, and we felt we could approach the camp with more interest than dread.

Traveling with me from Moscow was Ivan Rakhmanin, an official of the Procurator's Office, a bureaucratic closed circle that prosecutes and convicts prisoners and then is the only avenue for their complaints of mistreatment in prison.

Earlier in the year the Soviet government decided to reply publicly and critically to The New York Times about columns I had written on political prisoners; the letters were signed by Mr. Rakhmanin. Last month the Soviet government agreed that I could visit Perm 35.

In Moscow, Mr. Rakhmanin said that I could not go to Perm 35 after all. Yegor Yakovlev, the warmly dignified editor of The Moscow News, who was in the room and whose newspaper had printed one of the columns, bawled him out furiously for going back on his word. He stomped out, gesturing to an astonished Mr. Rakhmanin to follow him, called the top procurator and got permission for the visit to go ahead.

There were two others in the American contingent — Philip Taubman, the Moscow bureau

chief of The Times, winding up more than three years of fine reporting there, and Catherine Fitzpatrick, head of research for Helsinki Watch, whom the Soviet Union permitted to come from New York as my interpreter.

We were not allowed to be alone with a single prisoner for a single moment.

Everywhere we went we were accompanied by about a dozen assorted officials: Mr. Rakhmanin; a procurator from Perm; the colonel commanding the camp; his staff officers; a senior inspector who was his boss in the MVD, the Ministry of Internal Affairs; and some others who were not introduced.

The grounds were divided into fenced-in walkways and there were gun turrets, but the barracks were clean. There were laundered blankets on every bed. As a matter of fact, the whole place was positively gleaming. Fresh paint was everywhere and the canteen was bulging with butter and cream. Each prisoner wore a new, pressed uniform.

Released prisoners from Perm 35 are bawled by the punishment cells. Repeated sentences there often add up to years in the cold and gloom, with rations of bread and gruel every other day, and nothing in between.

The colonel told us that 15 prisoners were in for the treason of trying to flee the country. Then he informed us that one prisoner of any kind happened to be in the punishment cells that day, but that we could see the cells themselves.

They had boards for beds and were hardly inviting. But each cell had a large new electric bulb, dazzlingly bright. The single heating pipe, which former prisoners say was often icy for additional punishment, was comfortably warm to the touch. All the steel doors normally slammed shut to block out the world stood open.

We were informed we could not disturb prisoners at work by talking to them, so engrossed were they at their lathes and sewing machines. But we could see some we had requested to see, at the end of the day. So we walked about in silence, except for two prisoners who whispered as we passed — "It is a show for you."

Then, in an instant, the show ended. A prisoner bolted from a cloth-cutting room, right into the crowd of officers and visitors, and clearly and calmly said: "I must talk to you. The KGB will kill me, but I must talk to you."

The officers shouldered him back; we were not

permitted to talk to him. As we were walking to the next building, another prisoner walked toward us, starting the officers by being out at all, and to English said that he had to talk to us.

"Speak Russian!" shouted Mr. Rakhmanin. "Learn English!" the prisoner suggested before he was moved back. His name tag said Valery Smirnov. He had been convicted of treason, for trying to leave the country and planning to reveal how the Soviet Union stole Western business and technology information.

Then the colonel told us that as it happened, six of the men who were politically active and articulate had been hit by a sudden epidemic of gripe and were in the hospital and could not be seen despite our demands.

As we left one building a window in the hospital ward was flung open and somebody shouted: "We want to see you."

We never saw the men locked away from us in the ward. Mr. Rakhmanin never huddled on that. We were given time to talk with only four prisoners before Mr. Rakhmanin insisted on heading back. Each marched into the room, stared straight at the semicircle of three foreigners and eight or nine Soviet officials. Then they spoke of illegal arrests and bad treatment — including torture

by cold — with a bravery that will never leave the minds of the Americans.

The Soviet officials will remember the day too. They had never been through an experience like it. All of them clearly thought it was madness — foreigners questioning Soviet prisoners in a Soviet camp.

The officers showed far more anxiety than the prisoners. Sometimes they huddled and argued with the prisoners. Sometimes they shouted angrily at each other. They rifled irritably through a book of prison regulations to prove their points.

Everybody berated the stunned commandant — his bosses even more than the prisoners. Mr. Rakhmanin shook his finger under the colonel's nose and said he better not punish the prisoners for what they said. Then he scolded him angrily for not shaving prisoners' heads closely enough every month.

Alexander Goldovich, a 40-year-old physicist, had a very closely shaved head. He told us he had tried to escape, to a tiny boat, to Finland and was picked up by a Soviet trawler. A roll of film showing "negative scenes of Soviet life" was found in his boat, the authorities charged. He said sadly that it was true that he had a roll of film, but all it showed were pictures of his apartment in Moscow, which, he admitted, was very small.

Mr. Goldovich said there was some more food now, but that "torture by hunger had been replaced by torture by cold." He was a good Christian, he said, and could we possibly get him a Bible?

Ruslan Kentenichiv, a young Russian who had tried to escape the Soviet Union by contacting the U.S. Embassy and fell right into a KGB trap, walked in straight-backed and immediately said the men locked in the hospital sent word to remember them. Then he said coolly that the officers in that room would punish those who had spoken to us. He said Mr. Gorbachev wanted Western approval and that Western pressure had helped bring freedom for the "Article 70s." He stood and said to the Americans: "It is balm to my heart that you are here ..."

Then he left, erect, as if on parade.

On the way back we stopped here, a half hour from the camp, for dinner.

Mr. Rakhmanin toasted Soviet-American friendship, I toasted that too and added another toast, for the Soviet citizens who had sacrificed their own freedom to bring nearer those liberties now being endorsed, in measure, by the very leader of their nation. I regret now that I did not specifically mention the prisoners to the locked hospital ward.

The New York Times

Genealogy Without Pain, or, Drilling for Protozoan Roots

By Dave Barry

MIAMI — Today we're going to talk about how to get involved in the rewarding hobby of genealogy, which is the study of people named "Gene."

Ha ha! Not really. Although somebody should do a study of people named Gene, because there seems to be something wrong with them. I base this on close observation of my editor, who is named Gene and who once — this is the absolute truth — used a cigarette lighter to set fire to a tropical fish.

But let's try not to think about that now. Let's instead think about the fascinating hobby of genealogy, which comes

MEANWHILE

from two Greek words: *geneaio*, which means "droning on," and *gy*, which means "about your ancestors as if you're the only person who HAS any."

The first step is to determine your family name, which you usually can find by looking at any major credit card just below your family expiration date. Your family name reveals important information about your ancestry, because in the past people were given their names based on what they did for a living. For example, if your family name is:

"Smith" — your early ancestors were blacksmiths;

"Field" — your early ancestors were shortstops;

"Guywhoisupposedtoacomefixtherefrigerator" — your early ancestors did not exist;

"Crump" — your early ancestors did something that didn't pay them well enough to get their name changed.

Whatever your family name is, you probably have a family coat-of-arms, which you can obtain from the gift shop of any reliable tourist attraction. I obtained mine at Gatorland, an attraction in Kissimmee, Florida, that features a

show in which a trainer dangles headless plucked chicken corpses from wires and rings a bell, causing trained alligators to come lunging up out of the water and swallow the chickens whole while members of the public cheer with far more enthusiasm than they displayed for either of the 1988 presidential contenders.

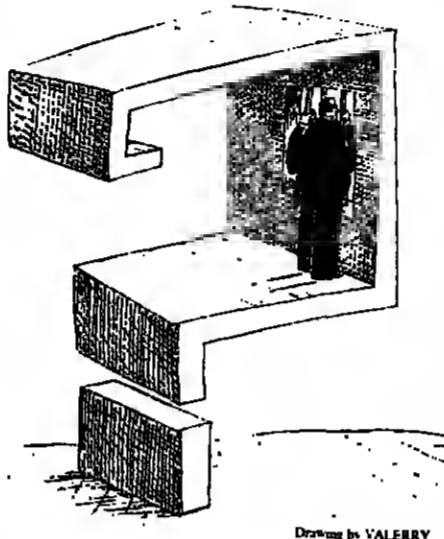
The Barry family coat-of-arms turns out to be a porcelain object about the size of a beer coaster on which is printed the official Family Motto: "Boutez En Avam" (literally, "Shake Your Booty"). Above this is a shield with a helmet and a horse. These objects date back to when knights rode on horseback in the "days of yore," which got their name from the fact that the horses left these large mounds of yore everywhere. The goal is to trace your ancestry back to this era and, ideally, prove that you have royal blood, which is considered a big deal in genealogy circles.

Also, you want to prove that your ancestors came over on the Mayflower and fought in the Revolutionary War, preferably at the same time. This will enable you to join exclusive organizations and go to meetings and social functions where you can stand around in formal clothing and chat with other people who belong to these organizations. Or, for equal fun, you can stay home and staple your lips together.

But first you need to make up a detailed genealogical chart. Step 1 is to write down the names of all the relatives you know of, along with their significant accomplishments. For example, I don't wish to boast, but I happen to have an uncle named "Uncle Jay" who used to play the tuba in the orchestra at Radio City Music Hall. I also have a cousin named John who once won the Ted Mack Original Amateur Hour playing the flute, an event I remember vividly because he flew in from Wisconsin and stayed at our house the night before the competition, and the instant he walked through the front door my mother's double boiler exploded with near-nuclear force, thus turning the entire kitchen — walls, ceiling, everything — into the Enchanted Forest of Cream Chipped Beef.

So on my genealogical chart, I'd write down "Uncle Jay" and "Cousin John," then I'd draw a dotted line between them to indicate that they both played wind instruments. See how fascinating and rewarding this hobby is? Using similar techniques, you should soon be able to trace your family tree back to a specific parametrium. The important thing is to stick with it. Remember the motto on the British royal coat-of-arms: "Dieu Et Mon Droit" ("You Ate My Dog"). Nothing I could possibly say would make the point more eloquently, although I would like to note, in closing, that the fish was already dead and Gene had a good reason for setting fire to it.

Knight-Ridder Newspapers



LETTERS TO THE EDITOR

Why the War Broke Out

Regarding "Many Take Our Peace for Granted" (Opinion, Nov. 23):

William Pfaff's conclusions about World War I are unexceptionable, save one: "Military planning and organization were geared to total war."

They were in fact only geared to quick and crushing battlefield victory.

As the guidebook to a new "1914-18" exhibition in Vienna's Military History Museum says: "The powers were thinking of limited conflict, not world war. They thought inventions like the automobile, telegraph and radio would shorten wars. So nearly all

European armies were armed and prepared only for a short war. There was no economic and manpower planning for a war lasting years. The lesson of the Boer, American Civil and Russo-Japanese wars was overlooked — that one victory doesn't end a war. Only the war staffs in Britain and the United States had any better ideas, notably the importance of keeping the sea lanes open."

FREDERICK B. TURNER, La Croix-de-Rozon, Switzerland.

If it was a history lesson, Mr. Pfaff failed to draw a conclusion. Or were we actually supposed to compare 1919 with the dawning of 1989 and be

shocked into reality by the similarities? Not only does Mr. Pfaff use a highly suspect form of historical analysis (hypothetical projection of what could have been, aided by hindsight), but he leaves no room for doubt: "Without that war there would have been no Bolshevik or Nazi revolutions."

"No" is a pretty strong statement in the history department.

Mr. Pfaff goes on to say that we can never really know why World War I happened and suggests that the most likely explanation is that people got bored of peace. There are many theories for why the war broke out, one of the most widely accepted being a Eu-

rope-wide paranoia of opposing states' expansionist goals (especially Germany's), and hasty military reactions based on those fears through a complicated network of secret treaties. To suggest that the war was the work of people "grown bored" is oversimplified and thoughtless.

KARRI L. GOHM, Kaltenkirchen, West Germany.

The Bulgarian Turks

Human Rights Day will have been meaningless for the 1.5 million ethnic Turks in Bulgaria if nothing is done to draw attention to the nightmare they

have been living since 1984, when the state began a Bulgarianization of the Turkish minority that continues unabated. Neither the Turkish-Bulgarian talks started in February nor changes to the Soviet Union has put an end to the suffering of these ethnic Turks. They continue to be denied the right to speak their mother tongue, to use their Turkish names, to practice their religion. More than 100 children await authorization to join parents who have sought asylum in Turkey, while tens of thousands of other ethnic Turks seek to emigrate to Turkey.

SABINE SURERKERER, Brussels.

Advertisement for the International Herald Tribune. It features a large graphic of a telephone handset and the text: 'Call toll-free and save up to 50%'. Below this is a table of subscription rates for various countries and currencies. The table includes columns for 'Country/Currency', 'TOLL-FREE TELEPHONE NUMBER', and 'ONE-YEAR SAVINGS' for 12, 6, and 3 months. Countries listed include Austria, Belgium, Denmark, Finland, France, Germany, Great Britain, Greece, Ireland, Italy, Luxembourg, Netherlands, Norway, Portugal, Spain, Sweden, and Switzerland. There are also rates for Rest of Europe, Rest of Africa/Middle East, and Rest of Asia. At the bottom, there is a form for subscribers to fill out, including fields for name, address, city, country, and payment method (check, credit card, etc.).

Advertisement for the International Union Against Cancer (UICC). It features a black and white photograph of a young child. Below the photo is the headline 'UICC CARES ABOUT CHILDREN'. The text explains that as late as in the nineteen fifties the vast majority of children with cancer were doomed, but today about half of them are cured thanks to cancer research. It states that UICC is a global, non-profit, non-governmental organization supported by donations, legacies, and bequests. It mentions that its members are more than 250 cancer leagues and societies, cancer hospitals, and research institutes in more than 80 countries. At the bottom, it provides the organization's name and address: 'INTERNATIONAL UNION AGAINST CANCER, 3 RUE DU-CONSEIL-GENERAL, 1205 GENEVA, SWITZERLAND.' The UICC logo is also present.

# Suspended Flights To Hamper NATO, U.S. General Says

By Robert J. McCartney

**WASHINGTON Post Service**  
BONN — A U.S. Air Force commander warned Tuesday that a three-week suspension of NATO combat practice flights over West Germany would cause pilots to fail to meet some training standards and would significantly reduce NATO readiness.

North Atlantic Treaty Organization members adopted the suspension Monday under pressure from Bonn after five West German civilians and a U.S. Air Force pilot were killed when the pilot's A-10 Thunderbolt crashed Thursday in a heavily populated neighborhood in Renscheid, near Düsseldorf.

Meanwhile, Chancellor Helmut Kohl said in a speech to military officers that there was a need to shore up popular support for a strong defense because of controversy over military exercises and enthusiasm over Soviet pledges to reduce conventional forces in Europe.

Mr. Kohl said West Germany would not yield to an "erosion in consciousness of the threat" from the Warsaw Pact.

The training suspension is the longest and most extensive in memory, Major General Marcus A. Anderson, commander of the U.S. Third Air Force, based in Britain, said at a briefing in Bonn.

General Anderson said the decision would ground nearly 300 U.S. planes, or nearly half of the American tactical forces in Europe, plus combat aircraft from West Germany, Britain and other allies.

"We know, based on the amount of training that is lost, that there will be a significant impact," General Anderson said. "There will be some readiness standards that will not be met."

The general was in West Germany overseeing the U.S. Air Force's investigation and relief efforts after the crash. The plane that went down was based in Britain and under his command.

The West German government's original proposal was to suspend until Jan. 2 only training flights at altitudes of 3,300 meters (about 10,000 feet) or below. That proposal was designed to satisfy public concern over low-level flights, which are the most controversial because they cause so much noise and are viewed as the most dangerous.

But NATO officials agreed Monday to adopt the suspension for all combat jet training flights over West Germany, at any altitude, to avoid singling out lower-level flights.

A suspension limited to lower-level flights would "send the wrong signal," General Anderson said. "Neither the Renscheid crash, nor the disaster at August's air show at the U.S. Air Force base at Ramstein, West Germany, occurred while a low-altitude training flight was under way, NATO officials noted. Seventy people died at Ramstein after three jets of an Italian Air Force stunt team collided while executing an acrobatic maneuver, and one of the jets crashed and exploded among spectators.

Separately, Defense Secretary Frank C. Caraccioli said that he had agreed to recommendations that 2,000 to 3,500 jobs be eliminated from the armed services payroll worldwide over the next three years.



After his arrest by Israeli troops Tuesday in the Gaza Strip, a blindfolded and bound Palestinian knelt in a defense force camp.

## ISRAEL: Shamir Derides Speech

(Continued from page 1)

divities in Israel and the territories," he said.

Concern rose in Israeli political circles that the United States would accept Mr. Arafat's remarks as a significant departure from past PLO positions and that it would propose opening negotiations with Mr. Arafat.

Even as Mr. Shamir spoke, he apparently was not certain whether the United States was considering a reversal of its long-standing position as a result of the UN speech.

"In our estimation, the PLO isn't capable of accepting the American conditions which contradict the very essence and very reasons for existence of the organization," he said. "I hope that for the progress of peace in the region, the U.S. will never create any official contact with the PLO."

Later, U.S. officials told the Israeli government that the United States did not consider Mr. Arafat's remarks an adequate change in position to warrant a reassessment of its policy.

The three key U.S. conditions for opening a dialogue with the PLO are acceptance of 1967 and 1973 UN Security Council resolutions

asserting the right of all Middle Eastern states to live within secure borders, explicit PLO recognition of Israel and renunciation of terrorism.

Solomon Avineri, a professor of political science at Hebrew University who is close to the Labor Party, said he thought Israel should respond to Mr. Arafat's call for peace talks by inviting him to speak before the Knesset, the Israeli parliament, as President Anwar Sadat of Egypt did 11 years ago.

"This is the first time Arafat has ever said anything directly to the people of Israel," he said. "Invite him to speak before the Knesset. Call his bluff. If he will not accept, then the burden is on him and not on Israel."

**Incident on West Bank**  
Israeli officials announced Tuesday that a Palestinian in the West Bank shot and killed two Israelis after seizing a gun from a Jewish settler and that the Palestinian also was killed. The Associated Press reported from Jerusalem.

Referring to the incident, Mr. Shamir said, "What happened is another illustration of a decision by the hostile circles in the PLO to continue their violence."

## ARAFAT: PLO Chief Appeals for Talks With Israel

(Continued from page 1)

so many words, that he and the PLO therefore accepted the right of Israel to exist.

The Palestinian leader's exact words on Israel's right to exist were under particular scrutiny because of reports from Washington that the Reagan administration had conveyed willingness to open a dialogue with the PLO provided Mr. Arafat met the U.S. conditions on renunciation of terrorism and recognition of Israel.

Under an agreement with Israel subsequently made into law, the United States has long declined to deal with the PLO until it meets these conditions.

Mr. Arafat seemed to allude to a U.S. message, reportedly relayed by the Swedish government during his visit to Stockholm last week, when he repeated his frequent contention that some concessions must be left for peace talks no matter what the United States demands.

"While we greatly appreciate the free American voices that have explained and supported our position and resolutions," Mr. Arafat said, "we note that the U.S. administration remains uncommitted to evenhandedness in its dealings with the parties to the conflict."

"It continues to demand from us alone the acceptance of positions which cannot be determined prior to negotiation and dialogue within the framework of the international conference."

According to reports from Arabs

in Geneva for the address, Mr. Arafat had intended to repeat his far-reaching language in Stockholm in the speech. This would have given his specific recognition of Israel additional weight, coming before an official international forum in a written speech made with the world looking on.

But he stepped back after two less conciliatory PLO leaders — Nayer Hawatmeh of the Democratic Front for the Liberation of Palestine, and Georges Habash of the Popular Front for the Liberation of Palestine — raised strong objections, saying Mr. Arafat was going beyond the Algiers agreement, the Arabs said.

The organizations of Mr. Hawatmeh and Mr. Habash, both based in Damascus, issued public statements on Sunday condemning Mr. Arafat's position in Stockholm and accusing him of distorting what was agreed in Algiers. This was the viable part of a private tug-of-war that occupied the Palestinian leadership in the last few days and resulted in the formula of the speech on Tuesday, the Arabs added.

Clovis Makoud, the Arab League representative to the United Nations, said Mr. Arafat's speech "prepared the ground for a fresh reappraisal of the U.S. position on the Middle East."

He acknowledged that the speech did not appear to meet all criteria laid down by Secretary of

## QUAKE: Efforts Continue

(Continued from page 1)

alive within the piles of twisted wreckage that have turned the hardest hit cities — Leninakan, Kirovakan and Spitak — into landscapes of devastation.

"Every hour is precious," Mr. Gorbatchev told Armenian party leaders during a visit to Yerevan, the republic capital, according to Pravda.

He added: "The experience in Mexico shows that rescue work must continue. Survivors were found there even on the 13th day." Mexico City was badly damaged by an earthquake in 1985.

Reports from the quake zone indicated that nearly overwhelming problems continued to impede rescue work, including a lack of electricity because of damage to generating stations and power lines, broken water mains and sewer systems, inadequate temporary housing for survivors and limited food supplies.

The Soviet press agency Tass reported from Yerevan that after the intervention of Mr. Gorbatchev and Prime Minister Nikolai I. Ryzhkov, who heads a government commission supervising the relief effort and has been in Armenia since Wednesday, additional cranes, bulldozers, dump trucks and other heavy equipment were being rushed to the quake area.

Tass said that 40 cranes reached Armenia on Monday, and that 36 dump trucks and 15 bulldozers arrived in Leninakan.

Several roads and rail lines severed during the earthquake, including the main road linking Kirovakan, Stepanavan and Kakhnabud.

Mr. Gorbatchev said 56 planes from 27 countries had delivered aid to Armenia since the earthquake, with 22 additional flights expected to reach Yerevan on Tuesday.

The aid, which has come from both Communist and Western countries, represents the largest outside relief effort in the Soviet Union since World War II. Only in the last two years has Moscow been willing to publicize accidents and natural disasters and accept aid from the West.

**Survivors Said to Freeze**  
Survivors of the Armenian earthquake are freezing to death at night because only a fraction of the thousands of tents set to the disaster area reach the homeless. The Associated Press reported from Yerevan, quoting a Soviet newspaper.

Rescuers have been hampered by roads jammed with grieving relatives, a mountain snowstorm and temperatures that dropped to below zero Fahrenheit (minus 17 centigrade), reports said.

The Communist youth newspaper Komsomolskaya Pravda said that 60,000 tents had been set to the disaster area but that most of the 500,000 homeless were shivering around bonfires in the ruins.

## Americans Offer Condolences at Soviet Embassy

(Continued from page 1)

WASHINGTON — At the Soviet Embassy here, just past the government brochures, there sits a condolence book. Over the last few days, since the earthquake in Armenia, Americans meek and mighty have signed its pages.

George and Barbara Bush signed it: "With anguish in our hearts for all those in the Soviet Union who lost their loved ones."

Many Americans with no special diplomatic obligation also made the gesture of a call or a visit.

"I think this is a noble dimension," said the Soviet Embassy press secretary. "People are accepting the pain of other people."

At a briefing Monday, Martin Fitzwater, the White House spokesman, estimated U.S. government disaster aid to date at \$825,000. He said that private relief efforts had raised another \$2.47 million.

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The Museum is open daily from 2-5pm (except Mondays) from March 28th - November 2nd; also open Bank Holidays and preceding Sundays 11am-5pm. Further details may be obtained from: The Secretary, The American Museum in Britain, Claverton Manor, Bath. Tel: (0225) 60503.

*The American Museum in Britain*

## U.S.: Washington Sees Ambiguity

(Continued from page 1)

partment had seen the text of Mr. Arafat's speech beforehand or had become involved in "negotiations" over what he should say.

The United States is blamed by a 1975 memorandum of understanding with Israel, as well as by a 1983 congressional measure, from either recognizing or negotiating with the PLO until it explicitly recognizes Israel's right to exist.

Mr. Arafat's speech was the third attempt by the PLO in less than a month to meet U.S. conditions for the start of a dialogue as well as to gain American support for its participation in the Middle East peace process.

At a mid-November meeting of the Palestine National Council, the PLO's parliament-in-exile, and at a session last week in Stockholm with American Jews, Mr. Arafat has announced their acceptance of Resolutions 242 and 338 and renounced terrorism.

But on both occasions, Secretary of State George P. Shultz has taken the lead within the administration in arguing that the various PLO resolutions and statements were too ambiguous and encumbered with other hostile language toward Israel.

## Geneva UN 'Fortified' For Arafat

(Continued from page 1)

ly in Geneva contained ambiguity on key issues.

King Hussein said the speech replied to worldwide appeals to the PLO to agree to the U.S. conditions.

Mr. Arafat said he was ready to live in peace with Israel and invited Israeli leaders to work out Middle East peace at a UN conference in Geneva.

Israeli Prime Minister Yitzhak Shamir rejected the invitation outright, and President-elect George Bush said Mr. Arafat had not been clear on the three key U.S. demands: renouncing of terrorism, recognition of Israel's right to exist and a readiness to negotiate without preconditions.

King Hussein said earlier that the PLO's "positive and responsible attitude" had improved prospects for peace in the Middle East. Speaking after a meeting with President Francois Mitterrand of France, he said: "I am optimistic for the present and the future because of the international community's interest in a just and honorable settlement, because of the PLO's positive and responsible attitude and because of the situation in the occupied territories."

## Hussein Rebuffs U.S.

King Hussein of Jordan rejected on Tuesday the U.S. statement saying the PLO had not fulfilled all the conditions Washington had demanded to clear the way for a peace dialogue, Reuters reported from Paris.

The king, visiting France, said on television: "I regret to have to say very clearly and frankly that I have replied to each of the U.S. demands."

A State Department spokesman had said earlier that Mr. Arafat's speech to the UN General Assem-

## A U.S. Practice Missile Kills an Indian Seaman

HONOLULU — A practice missile fired by a U.S. Navy F-18 killed a crewman on an Indian merchant ship on Monday about 180 miles (160 kilometers) from Honolulu, the navy said Tuesday.

The plane fired a nonexplosive Harpoon missile at a target bulk during a military exercise but the guidance system locked instead onto the Indian freighter Jagvivek.

## Dorothy de Rothschild, a Mainstay of Zionism, Dies at 93

Mrs. James de Rothschild, 93, a philanthropist and widow of the English baron who left the State of Israel \$3.3 million to finance the construction of a parliament building, died Saturday in London after a brief illness.

Dorothy de Rothschild, known as Dolly to her friends, was one of the last survivors of those who had worked for the Zionist cause, culminating in the 1917 Balfour Declaration on Palestine. The philanthropic foundation over which she and her husband presided also presented Israel with a new building for the Supreme Court.

Equally dear to her heart was the family's home at Waddesdon Manor, an estate of 6,000 acres (about 2,430 hectares) in Buckinghamshire where she and her husband lived in a Renaissance chateau. A treasury of art works, the estate was left to the National Trust, richly endowed, and Mrs. de Rothschild worked tirelessly for its upkeep. She was also closely involved in the publication of its catalogues.

Born Dorothy Pinto in London, she married James A. de Rothschild in 1912. He died in 1957.

**Other deaths:**  
Representative Bill Nichols, 70, a Democrat of Alabama, who led the congressional investigation into high-priced Pentagon spare parts, of a heart attack Tuesday. Mr. Nichols, who lost a leg in World War II, had served in the House for 22 years.

Anthony (Tony Pro) Proffersano, 71, an imprisoned leader of organized crime in the United States, and a prime suspect in the disappearance of the Teamsters boss, Jimmy Hoffa, Monday of a heart attack at a hospital near the Lompoc federal prison northwest of Los Angeles, where he was serving a 20-year term for racketeering.

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صكنا من الأصل

# Reagan Jabs Critics On Spending Policy

Compiled by Our Staff From Dispatches

WASHINGTON — President Ronald Reagan, in a parting shot at his critics, said Tuesday that an "iron triangle" of special interest groups, the Congress and the media was distorting federal spending policy to serve its own ends.

Looking back on his eight years in the White House, Mr. Reagan said that one of his "great disappointments" was leaving office without having tamed the federal budget deficit.

Mr. Reagan, who came into office promising to balance the budget by 1984, has seen the national debt almost triple during his tenure.

He said the remedy was to strengthen the president's hand in budget policy-making, a role he said had been significantly weakened by Congress in the Budget Act of 1974, which created the system currently used by Congress to make its annual spending decisions.

In a speech to administration appointees, he said, "The House of Representatives has become a virtual

# As Far as Bentsen Is Concerned, Dan Quayle Is Still on Hold

By Maureen Dowd  
New York Times Service

NEW YORK — Senator Dan Quayle of Indiana, the vice president-elect, has been trying without success to bury the hatchet with his Democratic rival in the presidential campaign, Senator Lloyd Bentsen of Texas.

Mr. Bentsen called President-elect George Bush to wish him well on election night, when a Bush victory became obvious. No call went to Mr. Quayle, however.

The vice president-elect thought such a call was imminent when Mr. Bentsen's wife, Beryl Ann, telephoned Marilyn Quayle recently to wish her well. But again, no call went from Mr. Bentsen to Mr. Quayle.

On Friday, the vice president-elect took the initiative and placed a call to Mr. Bentsen. He was told that Mr. Bentsen was board a plane and could not be reached.

"It must have been the world's longest plane ride," an aide to Mr. Quayle said Monday, noting that Mr. Bentsen had still not returned the call.

If you are the sort who sometimes sits out elections, for reasons of political principle or personal convenience, don't bother applying for a job in the Bush administration.

The Bush transition team is following a procedure set up by the Reagan administration: putting a question on job forms to ascertain whether the applicant votes. Chase Untermeyer, Mr. Bush's personnel director, says the team does not want to know how a person voted so much as whether he or she voted at all.

"It's a citizenship test, not a partisan test," Mr. Untermeyer said. "Voting, after all, is the minimum qualification of good citizenship."

Mr. Untermeyer said his predecessors told him that the question "unlocks amazing things," adding: "It can get at a person's attitude about government service. Sometimes they'll just blurt out something like, 'I never vote because they're all crooks and creeps and you can't trust them because they're under the influence of Satan.'"

The personnel chief said it also was a telling question because the answers of serious applicants are run through computers to check for truthfulness. "An amazing percentage of people lie on the form," Mr. Untermeyer said. "And if they're telling a mis-truth in pursuit of a federal job, then that disqualifies them. 100."

After years of having friends, relatives and her husband's political aides suggest, often not so delicately, that she dye her hair and perk up her wardrobe, Barbara Bush may have the last laugh.

Popping up in newspaper and magazine advertisements are models with a striking resemblance to the unvarnished, patrician Mrs. Bush: short white hair, little makeup, and sensible clothes.

Winter fashion catalogues, like those sent out by Ann Taylor, are also filled with young models wearing three strands of faux pearls — Mrs. Bush's trademark jewelry, which she deems not only elegant but also good for hiding neck wrinkles.

Meanwhile, the president-elect is having his own influence on style. J. Press Inc., the conservative clothier that has often been credited with inventing the Ivy League look, recently opened its first Washington store, a few blocks from the White House.

The company, which initially opened in 1902 in New Haven, Connecticut, just off the Yale campus, has dressed generations of Roosevelts, Rockefellers, Buckley and Kennedys — as well as Mr. Bush, who has been known to pull open a jacket to show the J. Press label.

Castro, on ways to reduce regional tensions was abandoned.

Mr. Arias has also declined many invitations involving travel that he almost certainly would have accepted in previous years. In addition to several honorary degrees from American universities, the invitations included one from President

He may have done great things, but I can't eat the prize.

José Barrera, lottery ticket vendor

# Costa Rican Chief Shifts Attention to Matters Closer to Home



President Oscar Arias Sánchez of Costa Rica is cutting back on travel and focusing on the economy.

## CONTRAS: After 7 Years, Fighting Days Seem Over

(Continued from page 1)

peaceful settlement, for peace with justice, are very slim."

Before adjourning in October, Congress passed a law providing \$27.1 million for food, clothing, shelter and medical supplies to the contras. The money will be available through March 1989.

President-elect George Bush has said he will support further aid to the Nicaraguan rebels.

Aides to Mr. Bush said in November that they were preparing a new strategy for Central America that would place less emphasis on military aid to the contras and more on diplomatic efforts to find a political solution to the conflict in Nicaragua.

They said Mr. Bush recognized that Congress would probably not provide money for additional weapons to the guerrillas.

It is not clear whether the new administration will make a diplomatic overture to Managua, or what form such an overture might take. But Central American presidents are scheduled to hold a long-postponed meeting on Jan. 15 and 16, and they hope to agree on a set of suggestions to Washington.

Given the ideological differences among the five heads of state, substantial agreement will be difficult to achieve. But leading figures in the region, including President Marco Vinicio Cerezo of Guatemala, consider the effort vital.

"We Central Americans need to show that we are mature, and that we don't always have to wait for Washington to pronounce itself before we know what to do," Mr. Cerezo said in a recent interview.

In the Nicaraguan countryside, the clash of armies no longer dominates everyday life.

Government troops and security agents have been sweeping through parts of the country where the war

was most intense, arresting hundreds of people suspected of collaborating with the contras. By doing so, the troops are striking at the civilian support network that would be essential to any future attempt by the Nicaraguan rebels to resume fighting.

For the war to begin anew, Congress would have to approve military aid for the contra force. It would also have to authorize the CIA to reopen the clandestine air routes by which contra units inside Nicaragua were supplied.

The Sandinista government has not scaled down its war preparations, despite the virtual halt of fighting. According to diplomats and to published reports, new arms from the Soviet bloc, including helicopter gunships, are continuing to flow into Nicaragua.

The thousands of guerrillas encamped in Honduras, many accompanied by families, still receive food, clothing and medicine paid for by the United States.

But as it has become clear that the guerrillas are not likely to return to war, officials from several countries have begun discussions about what intelligence agents call "disposal" of the contra army.

Some of the former combatants may return to Nicaragua, and President Daniel Ortega Saavedra has already suggested a program to resettle those who fear returning to their home villages.

Some others will seek visas to live in the United States. A few, it is assumed, will turn their military skills to unsavory use, taking to lives of crime or terrorism.

President José Azcona Hoyo of Honduras is among those worried about that prospect. He declared two weeks ago that the contras "have to leave Honduras" and insisted that their status "must be resolved one way or the other in the first months of next year."

By Lindsey Gruson  
New York Times Service

SAN JOSE, Costa Rica — The best foreign minister in this country's history, many people here complain, has never had that title. He is President Oscar Arias Sánchez.

Although his Central American peace efforts have won him praise abroad and a Nobel Peace Prize, and he remains personally popular at home, Costa Ricans criticize him for paying too much attention to foreign affairs and neglecting domestic problems.

"He may have done great things, but I can't eat the prize," said José Barrera, one of the capital's ubiquitous lottery ticket vendors. "It gets harder to feed my family every day. Prizes help the bear, but they do nothing to fill the stomach."

Mr. Arias has responded to such criticism by cutting back on travel and concentrating his efforts on improving the inflation-ravaged economy. That has set back efforts to revive his regional peace plan, which has stalled since its signing last year by the presidents of the five main Central American countries.

Mr. Arias was the only president in the region not to attend the presidential inauguration of Carlos Salinas de Gortari of Mexico this month.

Mr. Arias has said he canceled plans to attend the ceremony because he wanted to take part in festivities marking the 40th anniversary of the abolition of the Costa Rican Army.

But senior aides said he changed his mind because he feared renewed criticism of his extensive foreign travel. As a result, a preliminary plan for a Mexico City meeting with the Cuban leader, Fidel

Castro, on ways to reduce regional tensions was abandoned.

Mr. Arias has also declined many invitations involving travel that he almost certainly would have accepted in previous years. In addition to several honorary degrees from American universities, the invitations included one from President

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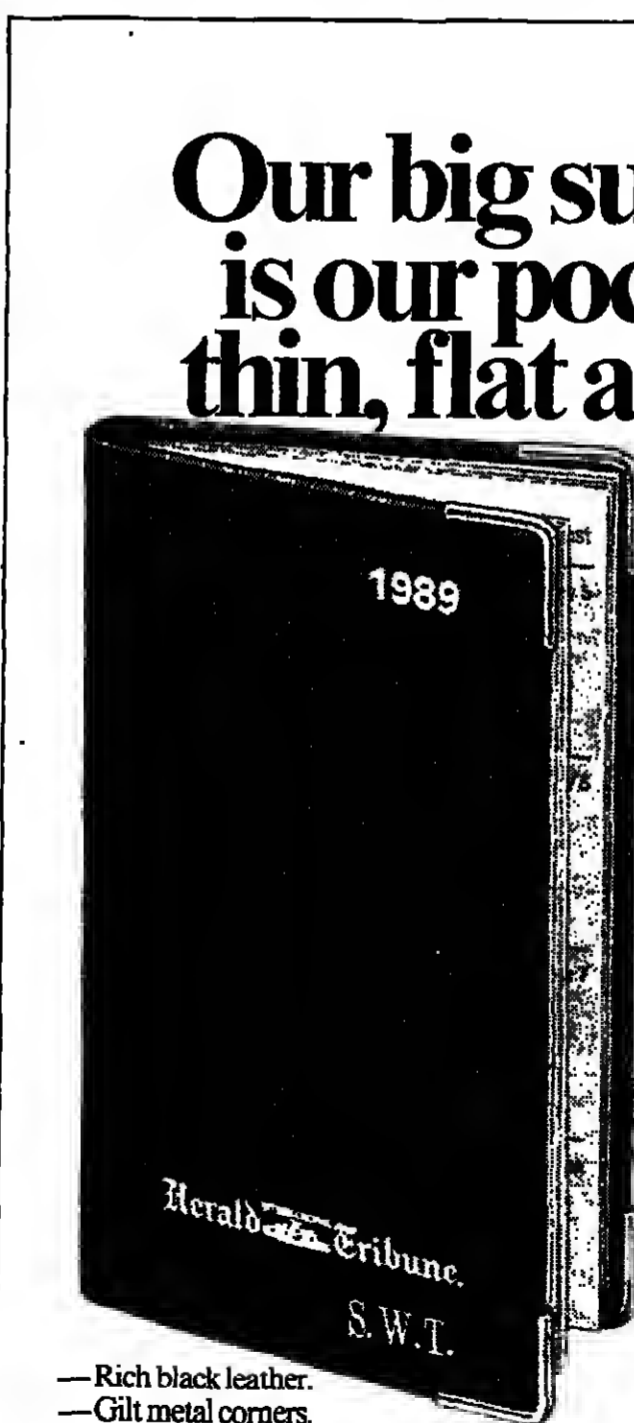
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## Pakistani Leader Sworn In

ISLAMABAD, Pakistan — President Ghulam Ishaq Khan was sworn in Tuesday and, with Prime Minister Benazir Bhutto, pledged to promote constitutional rule.

## Irish Deny Request To Extradite Priest

By Sheila Rule  
New York Times Service

DUBLIN — Ireland's attorney general rejected Tuesday a request by the British government to extradite a Roman Catholic priest whom the British suspect of raising funds for and supplying arms to the Irish Republican Army. The case has caused relations between the two countries to plummet.

Attorney General John Murray said in a statement that the chances that the priest, the Reverend Patrick Ryan, would receive a fair trial in Britain had been prejudiced by reports in the British press and statements in the House of Commons.

Mr. Murray had considered Britain's request for more than two weeks after receiving warrants for Mr. Ryan's extradition on charges of conspiracy to murder and cause explosions and charges of possessing explosives.

In London, Prime Minister Margaret Thatcher rejected the assertion that Mr. Ryan would not receive a fair trial and said the decision was a "great insult to all the people of this country."

Father Ryan, 58, has rejected accusations that he was a guerrilla of the IRA or a member of its political arm, Sinn Féin.

The priest was arrested in Brussels earlier this year after British authorities had asked the Belgian police to watch his movements. Belgium last month refused a British request to extradite Father Ryan, saying the charges against him were too vague. Father Ryan was placed on a Belgian military aircraft on Nov. 25 and flown to Dublin.

In a recent interview with the Tipperary Star, Father Ryan said that he had raised money both inside and outside Europe for victims on the nationalist side in the troubles in Northern Ireland. But he insisted that he had "never bought explosives for the IRA or anybody else."

Mr. Murray said he took the unusual step of issuing a statement about his decision because of the considerable importance of the case and a desire not to "allow speculation to replace fact."

He said that references to Father Ryan in the British media had consisted "of attacks on Patrick Ryan's

## Austrian Chief Visits Spain

MADRID — Chancellor Franz Vranitzky of Austria met with Prime Minister Felipe Gonzalez on Tuesday at the start of a three-day visit during which the two leaders plan to discuss the possibility of Austria's entry into the European Community, a spokesman said.

## Solzhenitsyn Hailed In Moscow Rallies

By Felicity Barringer  
New York Times Service

MOSCOW — Alexander I. Solzhenitsyn, branded an unpublished heretic two weeks ago by a leading Soviet ideologist, was praised as a visionary hero in officially tolerated celebrations of his 70th birthday.

"Solzhenitsyn was the first in our literature to start these revelations of Stalin's repressions," said a literary critic, Vladimir Lackschin. "He was the first. How much truth we have learned since his time. But it was he who blazed the trail to this truth."

The audience of more than 1,400 sitting out of the House of Cinema in Moscow on Sunday applauded that they applauded Mr. Lackschin's calls for Mr. Solzhenitsyn's return to the Soviet Union.

They applauded another critic, Igor I. Vinogradov, the first panellist to mention Mr. Solzhenitsyn's work "The Gulag Archipelago," a detailed and harrowing journey through the country's prison camps and a work singled out for disapproval by the leading ideologist, Vadim A. Medvedev.

And they applauded simply in honor of the man whose grim, bearded visage, blown up to the size of a large poster, stared back at them.

Yet, the evening, and others like it over the weekend at the House of Architects and the House of Doc-

after companies had been in the 1970s.

In some ways, the progress toward a limited degree of intellectual pluralism, still at the sufferance of Communist Party officials, came to its fullest flower in the series of celebrations in honor of Mr. Solzhenitsyn. The writer's 70th birthday, Dec. 11, was celebrated Saturday at the House of Architects and Sunday at the House of Doctors and the House of Cinema.

Two weeks ago, Mr. Medvedev quashed the growing appeals to publish Mr. Solzhenitsyn's work, saying that to do so "would undermine the foundations on which our present life rests."

But a literary critic, Yuri Koryakin, one of the seven panellists at the House of Cinema on Sunday night, said: "Let him be an anti-Communist. So was Dostoyevsky. Is he an enemy?"

Cautioning against the uncritical idolization of Mr. Solzhenitsyn, Yegor Yakovlev, editor of Moscow News, said the gathering: "We should accept him for what he is, not trying to make him better or worse than that. But his return is needed."

And they applauded simply in honor of the man whose grim, bearded visage, blown up to the size of a large poster, stared back at them.

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# JORDAN

## High Technology The Key to Economic Strength

ITS not quite Silicon Valley but Jordanians are increasingly looking to modern technology as the best road to a healthy economy.

The development of Jordan as a regional center for technology transfer and maintenance services has been promoted by Crown Prince Hassan as the logical future for a country with limited natural resources but rich human ones and a strategic geographic location between Europe and the Arab world, South Asia and the Far East. He often cites Singapore as a model Jordan could profitably follow.

Prince Hassan has headed two major investment missions to the United States and Japan during 1988 as part of official efforts to show international investors what Jordan has to offer. The promotion has helped to attract Japanese industrial giant C. Itoh. A team from the company visited Jordan in November to sound out investment possibilities in both the private and public sectors. Paper processing, heavy equipment maintenance and spare parts manufacture and agro-industry are among the areas being considered; solid results from the visit are expected in the next few months.

Success, and expertise, are already available in the alternative energy field. The Royal Scientific Society is now well advanced with its Remote Village Project at Jurf Al-Darawish in southern Jordan. Solar and wind power are being used there to generate all village power needs. At Al Ibrahimiyeh in the north, the Ministry of Energy and Natural Resources has established a wind farm, and estimates that Jordan could ultimately obtain around ten percent of its electricity needs from wind power. Local production of solar power equipment is already providing useful export sales.

Jordan has also been nominated as the location for an ambitious 30-megawatt solar power generation scheme planned by the Phoebus Consortium, which brings together 17 European energy companies with Bechtel and Pacific Gas and Oil of the United States. The project, one of the largest in the world, could be operational by 1993. It should bring around \$175 million in investment and give Jordanian technical personnel unparalleled experience in the field.

Early success in the high-tech field has been scored by the newly established Jordan Technology Group (JTG), a pri-



New buildings change skyline in Amman, Jordan's bustling capital city.

shareholding company established last July. A key shareholder in the company is the Royal Scientific Society (RSS), which has been nominated by the EC as a center for technology transfer to the Arab region. JTG is already going ahead with joint ventures in personal computer assembly, design of data communication software for banks, and the assembly and maintenance of helicopters.

The group is particularly interested in offset ventures stemming from major government purchases but is also negotiating new projects that range from an orange juice plant to the manufacture of telephone switching equipment, all using trained manpower available in Jordan. Interest in Jordan's technical skills coincides with a major financial shake-up that should put the economy on a new and more independent course.

Jordan has always been heavily dependent on outside economic support, particularly Arab aid and expatriate remittances. Recent government policy has been geared to greater self-sufficiency and in recent years has achieved some

success in areas such as domestic revenues, which rose from 88.3 percent of current public expenditure in 1983 to 90.9 percent, and exports which have gone from JD 160.1 million (over \$300 million) in 1983 to JD 248.8 million in 1987. January to May 1988 figures show a rise to JD 124.2 million from JD 88.3 million in the same period last year.

Progress has been made but not fast enough to counteract the decline in Arab aid, which was set at \$1.2 billion annually at the Baghdad summit but had dropped to \$455 million by 1987. The shrinking Gulf employment market has also produced a drop in remittances — from \$1.2 billion in 1986 to \$934 million in 1987. In November the combination of a shortage of foreign currency reserves and the reality of a balance of payments deficit of JD 452 million and a trade deficit of JD 596.9 million prompted Prime Minister Zaid Rifai to introduce a package of austerity measures. Bans were placed on the import of a range of luxury items until the end

## Tourism: From Desert Oases To Archaeology

MOST visitors to Jordan expect to see archaeological wonders — the legacies of ancient civilizations and places whose names are familiar from the Bible — but the beauty and diversity of this small country often comes as a surprise.

Rolling areas of yellow and grey desert change into dramatic mountain ranges where rock and shadows are rose pink, red and violet. There are bright green oases and river valleys, forest areas in the north, and a tropical resort with palm trees and coral gardens at Aqaba, the country's southern port on the Red Sea.

The climate makes it a year-round holiday country: hot in summer, cool or even cold in the highlands in winter, and pleasantly warm in spring and fall (when wildflowers are blooming everywhere).

Every visitor will spend one or more days in Amman, the capital, known in Biblical times as Rabbath-Ammon and as Philadelphia to the Romans. It is a stone-built modern city surrounding the original Roman amphitheater, with an excellent archaeological museum.

Amman has six 5-star luxury hotels: Inter-Continental (a popular meeting place), the elegant Marriott, Jerusalem Francel, Regency Palace, Holiday Inn and Middle East Hotel. There are 38 other 3- or 4-star hotels as well.

For shopping, the souks near the Roman amphitheater in Amman have local color and lots of bargaining, but there are also luxury shops and boutiques, and the Craft Center near the Inter-Continental Hotel has a fascinating range of handicrafts: china, glass, brass, leatherwork, inlaid items and toys at reasonable prices.

The whole of northern Jordan can be visited in day excursions from the capital. The beautiful ruins of Roman Jerash are a 40-minute drive away, or there is the great oasis of Azraq — not far from the eighth-century desert castles of Amra, Kharana and Mushatta.

The ancient rock city of Petra ("half as old as time"), with a good 4-star Forum Hotel, is south of Amman via the spectacular King's Highway through the mountains. This

See Technology on page 11

See Tourism on page 11

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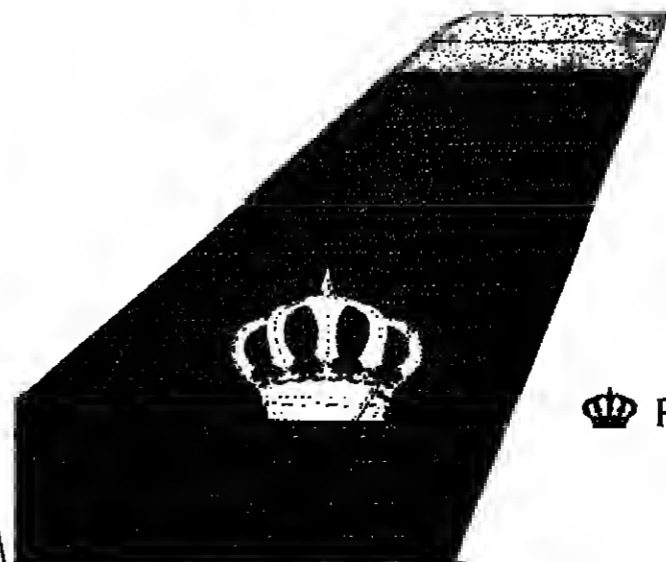
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# Banks Encouraged By Liberalization Of Interest

**A**FTER a quiet start, 1988 has developed as a challenging year for Jordan's banks. The banks began the year with deposits and credit facilities growing satisfactorily. Deposits rose from JD 1.94 trillion (around \$1 trillion) to JD 2.14 trillion in the course of 1987 while credit facilities were up from JD 1.39 trillion to JD 1.51 trillion. The steady improvement continued in the new year and banks had every reason to believe that the modest but acceptable profit levels of the previous year would be maintained.

The major change most banks were hoping for was the liberalization of interest by the Central Bank of Jordan (CBJ). The bankers saw signs of an upturn in the economy, and were looking for better spreads to encourage a move away from the concentration on import funding of fee-based activities and toward more productive activity as invest-

ment prospects picked up. Their hopes were fulfilled in June when the CBJ, while retaining the 8 percent interest limit on credit, removed the 1 percent limit on commissions and the 7% percent ceiling on certificates of deposit of more than JD 1,000 and three months. In September the CBJ went further, floating interest rates on all forms of deposit. While the base lending rate was lifted to 9 percent, it was effectively floated as banks were left to set their own commission rates. The Central Bank said the moves were intended to help curb imports and consumption and to discourage people from holding cash for speculative purposes. The bank also reiterated its belief that Jordanian rates should rise in line with higher rates in the industrialized countries.

To date, the banks have had little opportunity to exploit the possibilities of this new situation. The second half of the year, marked by a

continuing decline in the value of the dinar, saw the introduction of austerity measures designed to curtail consumption of imported goods and encourage local production. Bankers now believe that the changes in the economic climate should bring positive results.

"Our policy is to encourage manufacturers and exporters and help to develop their businesses," says British Bank of the Middle East (BBME) area manager David Tait. BBME is hoping that 1989, when the bank celebrates its 40th anniversary in Jordan, will be marked by a growth in investment activity. Mr. Tait says the bank has already been approached by a number of local investors interested in exploiting the new conditions and hopes to see high tech and tourism featuring high on their project lists.

Arab Bank, the Jordanian banking giant that takes around 40 percent of the market, is also in an optimistic mood. Arab Bank Chairman Abdalmajed Shoman says the bank will be going ahead with expansion of its overseas network, which now accounts for 75 percent of the bank's business and covers over 30 countries. Seoul, Rome and Tokyo will soon be on the branch list.

Nearer home, the establishment of small, cash offices distributed throughout

Amman and the steady expansion of the bank's automated facilities have led to improved levels of customer service. According to Mr. Shoman, the bank is heading for one of its most profitable years, following a good all-round performance in 1988, during which it has put some JD 100 million worth of loans and facilities into Jordanian industry, agriculture, transport and trade. "We have full confidence in the economy and believe things will turn around — it just needs some time," Mr. Shoman says.

Petra Bank has for some time wanted to encourage an export orientation. Petra Chairman Ahmad Chalabi regards exports as a key sector of the economy to be developed actively, and one in which Petra has already been making a mark. Exports by Jordanian manufacturers of textiles to the United States, cement to Sudan and syringes to Africa have benefited from Petra support. Mr. Chalabi is now confident that there are enough talented entrepreneurs in Jordan to meet current challenges.

Jordan National Bank has enjoyed a satisfactory 10.3 percent rise in assets, an 11.9 percent rise in deposits and maintenance of profit levels in 1987. The bank was looking forward to steady growth. Liz Freeston

# Dead Sea Mineral Reserves Offer Development Potential

**M**INERAL-BASED heavy industries dominate in Jordan's export development plans; the country is already rated as the world's third largest exporter of phosphates after the United States and Morocco. Production of both phosphates and potash have increased steadily in the last 18 months. These, together with fertilizers, are expected to account for more than half of Jordan's \$800 million-plus export earnings in 1988.

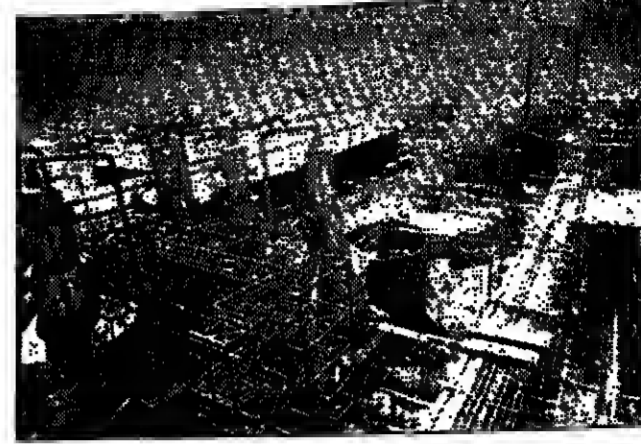
With proven phosphate reserves of over 2 billion metric tons, there is considerable scope for further development. Jordan's present five-year development plan (1986-90) aims to broaden the phosphate and potash industries and others with a view to increasing the value of the country's exports by 8.3 percent per year. Development plans focus on Jordan Phosphate Mines Company's major new mine at Shidiyah in the southeast, with proven reserves of one billion tons of phosphate. Its production is expected to rise nearly tenfold by the year 2000.

The company is also re-vamping its major fertilizer complex at Aqaba to improve its flexibility in production of phosphoric acid and diammonium phosphate. Allied industries form an important part of Jordan's industrial development program. A potash project on the Dead Sea, developed by the Arab Potash Company, began production in September 1982.

The Arab Potash Company is in its sixth year of operation and is in the middle of a large-scale expansion program intended to increase production at the Dead Sea plant from 1.2 million tons to 2 million tons by 1995. Managing Director Ali Ensur says: "Our aim is to utilize the potash operation as a cornerstone from which Jordan can realize the maximum benefit for economic exploitation of the Dead Sea mineral reserves."

An even more comprehensive exploitation of mineral resources has been revealed by The Jordanian Industrial Consortium Engineering Company (Jiteco),

which, with its planned \$1.5 billion industrial complex on the Dead Sea, is confident it can add at least another \$300 million to total exports. Twelve interrelated projects have been outlined. Jordan's shale oil could



Potash processing plant near the Dead Sea. BILL LYONS

prove an important long-term source of energy. Estimates of reserves range from 10 billion to 45 billion metric tons. One West German study of deposits in the country's Lajjun region concluded they were of high quality and able to produce 14 to 36 gallons of oil per ton of rock.

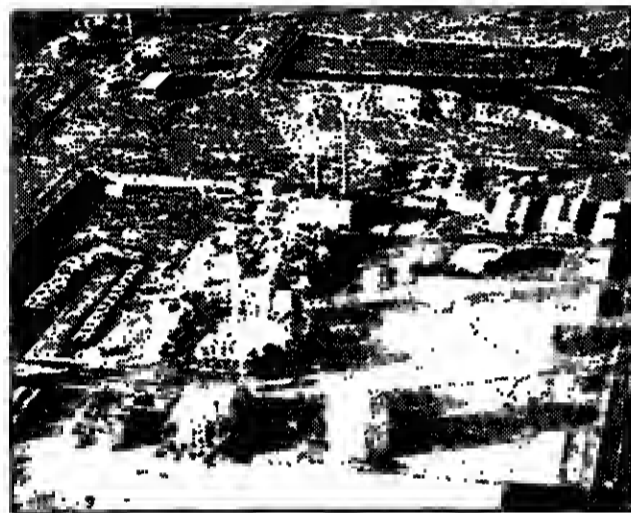
Other minerals with de-

velopment potential include high-quality copper ore, gypsum, manganese, glass sand and clays and feldspar used in the manufacture of ceramics. Manufacturing and extractive industries are also looking forward to an expanding role following liberalization measures announced by the government in August. With a highly educated and sophisticated workforce in the country, the government wants to help create more than

250,000 new jobs during its five-year program.

One of the latest ventures is a plant that assembles personal computers. The plant is a joint venture of Jordan Technology Group and Singapore's Goh Electronics and is aiming to establish Jordan as a regional center for technology transfer.

Anthony Richard



Fertilizer processing plant at Aqaba. BILL LYONS

# Aqaba Port Expanding

**A**QABA, Jordan's only seaport, handled the lion's share of Iraq's imports during the Gulf war. The Jordanian government is investing millions of dollars into a variety of expansion schemes at the port.

But some senior port officials fear that the port's profitable Baghdad-bound traffic may now be slowly coming to an end, although Iraqi

officials did agree last month to continue using Aqaba for at least the next three years. There are some grounds for pessimism on the part of the Jordanians: Iraq is gradually opening up its Gulf gateways again and Kuwaiti ports have just accepted their first transit traffic commitment in several years.

Last year Aqaba handled around 20 million metric tons of cargo, well up on

1986's 16.8 million metric tons. Aqaba Ports Corporation (APC) executives predict a further rise this year to about 21 million metric tons. Recent increases could taper off in 1989, however, as Iraq finds cheaper alternatives to the massive trucking operation it must maintain to use Aqaba as one of its key trade outlets.

Aqaba is determined to retain its existing business

and hopes to start building a \$25 million multi-purpose terminal for Iraq freight some time next year. The Canadian government is currently financing consultancy studies for the berth. A new \$4 million, 6,000-square-meter (around 6,400 square feet) passenger terminal and ro/ro (roll on/roll off) berth is nearing completion; it will serve the Aqaba-Nuweiba (Egypt) ferry route. Around \$50 million in U.S. aid has gone toward the purchase of new cranes, forklifts, tugboats and other essential equipment.

A new wharf designed to make Aqaba competitive with rival Turkish gateways for Iraqi cargoes has also been introduced. Box handling charges have been slashed by 20 percent and fees for unloading reefer (refrigerated) cargoes reduced by a hefty 55 percent.

Cheaper container rates will go some way toward helping Aqaba achieve its goal of becoming the Red Sea's box transshipment hub. Around 100,000 square meters of additional container storage space is under construction at a cost of

around \$5 million. But Ports Corporation Director General Eid Alkayez says: "We have no plans to expand and develop the terminal (its shoreside frontage) at present."

But Aqaba's hopes of gaining a foothold in the lucrative box relay business have received a major setback. In November 1988, Saudi Arabia announced that it was lifting its strict non-transshipment ban at Jeddah — a port better sited than Aqaba to win relay traffic.

Gary Gimson



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Mr. Ali Ghannou, Chairman of the Board, CEO of Royal Jordanian

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ADVERTISING SECTION

ADVERTISING SECTION

# Airline Celebrates Anniversary With Plans for Privatization

**A**s his airline prepares to celebrate its 25th anniversary with a growing international profile, Ali Ghandour, chairman of Royal Jordanian...



Mr. Ali Ghandour, chairman of the board and CEO of Royal Jordanian.

go carried is up by 9 percent to 41,000 metric tons while revenue passenger kilometers are up by 13.3 percent. Mr. Ghandour estimates revenues for the year at around \$380 million, and anticipates net profits of \$6 million to \$7 million; a reasonable return, he says, for a year in which RJ added long routes to Delhi, Calcutta, Montreal and Miami.

Royal Jordanian has marked its coming of age with a new image for fleet, staff and offices alike, designed, says Mr. Ghandour, to show "warmth, friendliness and self-confidence." Fundamental to the new image is the "Royal" in Royal Jordanian and the gold crown emblem on the aircraft. They underline the airline's close relationship with King Hussein, who has been the moving force behind the airline since it was established in 1963.

The king's wish that Jordan's national carrier should be "our ambassador of goodwill around the world" has taken on a formal dimension following the signing of an agreement under which RJ's 98 offices worldwide will act

as official promotion centers for Jordanian tourism. Mr. Ghandour says promotion of tourism will be a major focus of the airline's activities in the coming years. RJ has recently signed agreements with Club Méditerranée for the establish-

ment of a tourist village in Aqaba as well as hotels in Petra and Wadi Rum, and with Germany's Medtours for a DM 30 million (\$3.73 million), 400-bed hotel on the Dead Sea. The hotel will offer specialist skin treatments that use mineral-rich Dead Sea wa-



A Royal Jordanian Airbus 310-300 in the new RJ livery.

ter. Plans are also under way for a 250-bed five-star hotel in Aqaba to be built in partnership with private investors.

Mr. Ghandour says the company does not want to compete with the private sector. But he hopes private investors will follow its lead in developing an industry which offers unequaled prospects for foreign currency earnings for Jordan. RJ alone should provide net foreign currency earnings of

\$60 million to \$70 million in 1988.

In fact, RJ is on its way to joining the private sector itself. Mr. Ghandour hopes to see the company transformed into a private concern by early 1989. The shares will gradually be sold to private buyers, beginning with company employees.

Mr. Ghandour is confident that, as RJ enters its second quarter-century, the airline will continue to progress. There are, he says, "always new peaks to conquer. Royal Jordanian has infinite horizons and will continue to grow."

Liz Freeston

# Tourism

Continued from page 9

route passes through Kerck, Tafila and Shoubak. The coastal resort Aqaba is a popular water sports center.

At Pella, on the east bank of the Upper Jordan Valley, excavations have found traces of continuous human habitation since the Stone Age. Umm Qais is the site of ancient Gadara. Petra is the supreme example of Nabataean culture but there are others — for example, at Beidha, a 15-minute drive from Petra.

Most tourists visit these places briefly, but for the expert there are digs carried out by special teams. Crown Prince Hassan takes a very personal interest in the study of Jordanian antiquities, and there have already been three international conferences on the history and archaeology of the country. The fourth, "Archaeological Sites and Patterns of Settlements," will be held at Lyon, France in 1989.

Jordan also attracts dance lovers with its eight-year-old Jerash Festival, mainly devoted to international and Jordanian dance companies who perform in the magnificent setting of the Roman ruins at Jerash.

Sport and underwater exploration have always been encouraged by King Hussein, and the latest expression of this is the International Diving Center opened by His Majesty in 1986. It is 18 kilometers (11.2 miles) down the Gulf from Aqaba and teaches sub-aqua diving.

For a different kind of holiday there is the new spa at Zarqa Ma'in. Herod the Great is said to have come here to bathe in the mineral waters (the place was known as Callirhoe in classical times). Today there is a \$33 million complex on a 150-acre site in the austere beautiful canyon. The hot springs (some of which cascade down the cliffside in a dramatic steaming waterfall) bubble from the rocks at temperatures of 45-64°C. The water is used externally



"Al Deir" monastery in the Nabataean City of Petra.

for treatment of arthritis and of respiratory and skin problems.

The international center is farther down the valley where a 140-room hotel is now open. Zarqa Ma'in is just 40 miles southwest of Amman. Beyond Madaba the last part of the road provides a spectacular drive through arid hills.

Lawrence of Arabia lived in the Jordanian desert sixty years ago, in the mountain area of the Wadi Rum east of the route from Petra to Aqaba. Royal Jordanian, the national airline, is now offering a week's "Lawrence Experience" luxury tour for organizations' special incentive programs.

Penelope Turing

# High Technology the Key

**Continued from page 9** of 1989; import duties rose sharply as did exit taxes and work permit fees. A 10 percent tax was also added to all four- and five-star hotel and restaurant bills and a three percent rise in price for airline tickets.

Overall, the government hopes to save at least \$350 million in foreign exchange

by the new measures, all the while promoting local industry. The speed and severity of the moves startled the business community but their implications, when combined with the decline in the value of the dinar, which has moved from around 445 fils to the U.S. dollar to 560 fils since it was floated in mid-October,

have been clear: Jordan's economic difficulties are not going to be solved by outside aid. A cutback in consumption and the channeling of investment into production for export is seen as the key.

Early signs are that Jordan's businessmen will rise to the challenge. The simplification of investment procedures announced in August has produced a rush of applications for registration of new small industries and the Amman Financial Market has enjoyed record trading levels during October and November, with industrial shares dominating trading. Export-oriented production is the next vital step.

The export message has always been clear to Jordan's major mineral companies, the Jordan Phosphate Mines Company (JPMC) and the Arab Potash Company (APC). Potash, fertilizer and phosphate sales in 1988 should reach around \$420 million, over half of Jordan's export earnings. JPMC now wants to boost its share of downstream activity and negotiations are under way with Russian, Indian and Pakistani companies.

The company already stands to gain a further one million tons in exports from a proposed phosphoric acid plant to be set up in the Jebel Ali Free Zone in Dubai. Vital to export effort is Jordan's Red Sea port of Aqaba, which has expanded rapidly, not only as Jordan's only outlet to the sea, but also as a secure northern port for Iraq. Tonnage handled at the port has jumped from 12 million tons in 1985 to an expected 21 million tons this year, pushing revenues to \$66 million and requiring a doubling of staff to nearly 500 workers.

The Iraqi government has guaranteed to use Aqaba for substantial heavy industry exports, including phosphates, cement and sulphur, even after a Gulf peace treaty is achieved and its own ports are back in action. Port authorities are now gearing up for the Iraqi exports with plans for a \$25 million multipurpose berth. Other projects to upgrade efficiency at the port include a major expansion of yard capacity and the installation of a sophisticated coast guard station. The Iraqi exports will remain a vital part of the port's activities, but Jordanians expect to see it handling more of their own production in the future.

Liz Freeston

# Agro-Industry Exports Increasing

**A**s the government-owned Agricultural Marketing and Processing Company of Jordan (AMPCO) steps up its export drive, Jordanian vegetables are becoming a familiar sight on European tables.

Exports to the EC jumped to 2,200 metric tons in 1987 and should reach 7,000 metric tons in 1988. AMPCO Director General Ghazi Abu Hassan says the company's main aim has

been to open up the European market for Jordan's private wholesalers.

With regular access to this massive market, the surpluses and low prices that have troubled growers in recent years could be a thing of the past. The current price of the dinar should also make exports easier, and could help Jordanian producers get back into the Gulf markets that have been lost to Turkey.

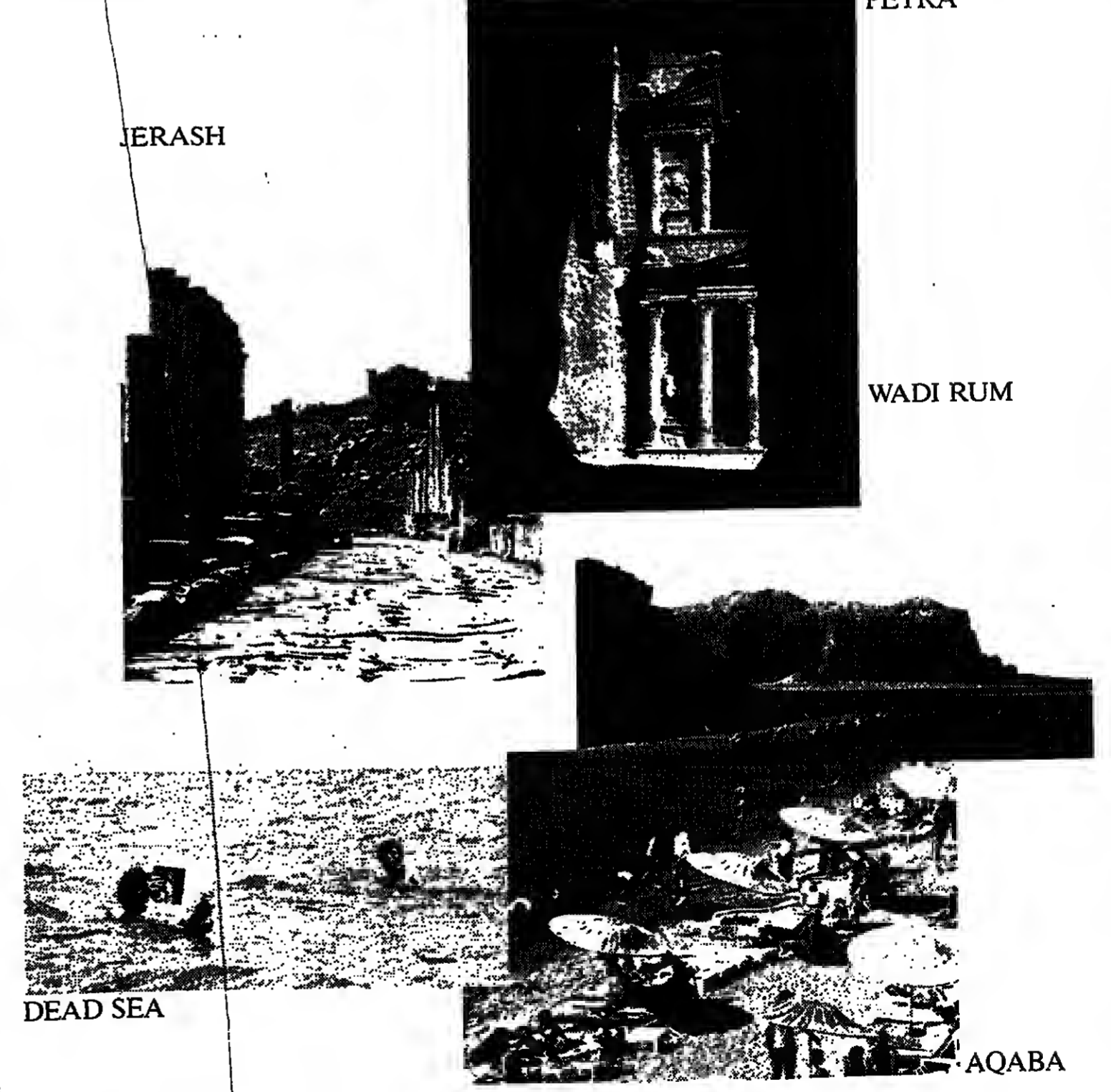
AMPCO has already clinched a deal to provide Lebanon with some 4,000 tons of vegetables over the winter season in exchange for Lebanese apples.

Export growth is being matched by the expansion of agro-industry activities. With world demand for tomato paste now at record levels, AMPCO has received requests for over 60,000 metric tons in the coming season.

The company's new canning plant is due to begin production in December with a range of pure citrus juices for domestic and export sale. Vegetable canning and freezing, canned soups, ketchup and pizza sauce production are also under consideration and should, in time, help ensure greater market stability for growers and useful export earnings for the economy.

Liz Freeston

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Correspondents All over The World

development potential include high-quality copper ore, gypsum, manganese, phosphates and clays and kaolins. Used in the manufacture of ceramics. Manufacturing and extractive industries also looking forward to an expanding role following liberalization measures announced by the government in August. With a highly educated and sophisticated workforce in the country, the government wants to help create more than 250,000 new jobs during five-year program. One of the latest trends is a plant that assembles world computers. The plant is a joint venture of Jordan Technology Group and Germany's Gön Elektronik. The plant is turning to Jordan as a regional manufacturing center. Anthony Ricketts

around \$5 million. Bank Corporation Director General Ed Alhazem says he has no plans to expand beyond the current Jordanian frontage at present. But Aqaba's large port is a foothold for Jordan's box retail business. It received a major boost in November 1987. Aqaba's strategic location was lifting its status as a major port. The port's development has attracted a port located in Aqaba's waterfront.

TRADE FINANCING INTERNATIONAL  
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OF PETRA BANK  
BANK  
STATES.



WEDNESDAY, DECEMBER 14, 1988

Page 13

MADISON AVENUE

Another Puzzler for 1992: Advertising Europe-Wide

By HESTER ABRAMS

LONDON — Finding a way of advertising its Alka-Seltzer tablets Europe-wide proved to be a headache for Bayer AG, the West German chemical company.

Other opposition demands include a ban on advertising by the government to fight the use of television to use its national advertising under the trade pact to attack the medical system.

With his 57th birthday, Jan. 2, the company must maintain a public image that keeps it from Europe and other countries.

But Southern Europeans reach for the tablets as a general cure for gastronomic overindulgence. An Italian ad says: "Di nuovo tu, di nuovo effervescente" (You are yourself again, you are bubbly again).

Companies toying with the idea of harmonized advertising in Europe have to ask: Can you devise a brief message that instantly appeals to diverse attitudes?

Some advertisers have decided that national differences are too strong to be overcome by a single European strategy.

Running individual campaigns in each market, as Bayer now does, might still be the best way to foster consumer loyalty to a brand and keep up the brand-leader status.

Now, however, the prospect of reaching consumers in several countries at once through satellite television is encouraging many companies to think European.

"Satellite television has helped to accelerate the process toward companies taking a cohesive view of the European market," said Andy Fraser of British-based Saatchi & Saatchi Advertising International.

SEARCHING for appropriate programs into which to slot commercials, advertising agencies have been studying the way satellite stations deal with the variety of European languages.

"We've learned that the future doesn't necessarily lie in the English language," said Roy Jukes, sponsorship controller of British and Italian-owned Super Channel. They had experimented with programs in Dutch or German subtitled in English.

Sky Television's sales director, Mike Whittington, said they planned a specialized sports channel in which viewers could switch to a soundtrack in any of four languages through a decoder on a television set.

As competition between brands grows after 1992, agencies will have to employ increasingly ingenious methods to identify the market sector they are aiming for.

"1992 is a finishing line, not the start of a race," said Saatchi's Mr. Fraser. It's going to be very, very hard now for anyone who's not there already to make it.

Agencies which had developed a consistent approach to consumers' idiosyncrasies in many international markets would benefit most from the current trend towards greater marketing coordination within companies, he said, adding that Saatchi & Saatchi would continue the same policy to plan pan-European campaigns they used for products sold worldwide.

They look for similarities between the attitudes and habits of

See ADS, Page 17

Currency Rates

Table with columns for Currency, Par 1, Par 2, etc. Includes rates for Amsterdam, Brussels, Frankfurt, London, etc.

Interest Rates

Table with columns for Eurocurrency Deposits, Key Money Rates, Asian Dollar Deposits, U.S. Money Market Funds, Gold.

Rolm Split By IBM

Siemens Set To Buy Portion

NEW YORK — International Business Machines Corp. will sell part of Rolm Corp., its unprofitable telephone-equipment business, to Siemens AG of West Germany for an undisclosed price and put the rest of Rolm into a joint venture with Siemens, the companies said Tuesday.

IBM will sell the development and manufacturing arm of Rolm, with its 2,800 employees, to Siemens, where it will become Rolm Systems Inc. About 700 employees now working for Siemens will join the new concern.

IBM and Siemens will jointly own a marketing and services company, known simply as Rolm, that will offer telecommunications products for private networks in the United States. It will have 5,500 employees who currently work for Rolm and fewer than 100 now working for Siemens.

In addition, IBM will gradually phase out a Rolm manufacturing and development plant in Colorado Springs, Colorado, and offer jobs elsewhere in the company to all the employees there.

The deal will not have any material impact on IBM's earnings, and all IBM employees will be offered jobs with Siemens, with the joint venture, or elsewhere in IBM, the company said.

The value of the transaction was not disclosed, although IBM said it would receive cash and other financial instruments in exchange for assets of its Rolm unit.

IBM bought Rolm for \$1.5 billion in 1984 to help it in the business of tying together computers and the phone network. Under IBM ownership, Rolm has steadily lost money.

See ROLM, Page 17

Siemens: World View From Munich

By Michael Farr

MUNICH — In an imposing pink baroque building in the center of Munich, Europe's biggest electronics company has been hatching global plans that include making deeper inroads into the all-important U.S. market.

Siemens AG, which some critics have called the sleeping giant, has been showing that it means to do battle with the American and Japanese powerhouses.

Its most aggressive move of late has been a \$3.1 billion hostile takeover offer for Plessey Co., the British electronics company. The bid was made in partnership with General Electric Co. of Britain.

In the United States in recent months, Siemens has acquired a majority interest in the Bendix automotive electronics group, a unit of Allied-Signal Inc., for about \$250 million. It also has set up ventures with Intel Corp. in computer systems, Advanced Micro Devices Inc. in semiconductors, and Westinghouse Electric Corp. in factory automation.

Most recently, International Business Machines Corp. announced Tuesday that it would form a series of joint ventures with Siemens in telecommunications products.

The 141-year-old company in its early days earned renown for setting up the first telegraph lines in St. Petersburg (now Leningrad) and India.

Siemens's world view is apparent from a special, greatly distorted map in its headquarters in Munich's Wittelsbacher Square.

A Europe of modest size is squeezed between the United States and Japan, both huge. The Soviet Union is not as large as one would expect, and South America and Africa are small.

The message is clear: The United States, Japan and Europe are the markets that matter.

The goal: Consolidate in Europe, expand in the United States and try to gain a foothold in Japan.

Siemens can afford to be ambitious. With a cash stockpile of 23 billion Deutsche marks (\$13.2 billion), the company has been described as "a bank that dabbles in electronics."

Interviewed in his starkly modern office adorned with abstract paintings, Karl-Hermann Baumann, Siemens's finance director, said, "Our business is becoming global, and we cannot stay in one region of the world market."

Mr. Baumann, second in the hierarchy to Karlheinz Kaske, chairman of the management board, said the United States was of special interest.

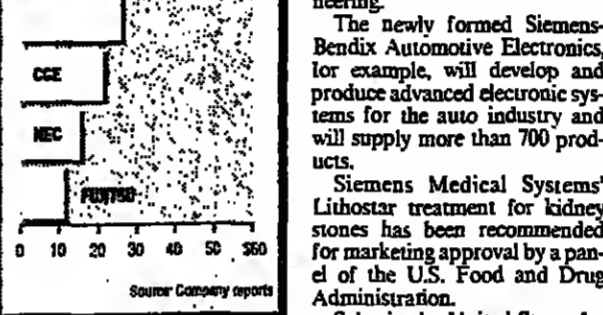
"Our market share in the U.S. is still comparatively small, but it can be built up," he said. "We are already represented in power engineering, there is magnetic resonance and diagnostic imaging, and we are trying hard to get into telecommunications and the private branch exchange business."

Two areas that Siemens con-



Semiconductor wafers are assembled at Siemens's plant in Regensburg, West Germany.

Largest Electronics Companies



Sources: Company reports

November Gain In U.S. Sales Was Hefty 1.1%

WASHINGTON — A surge in consumer spending on expensive, long-lasting goods sent U.S. retail sales up 1.1 percent in November, the second consecutive strong monthly advance, the Commerce Department said Tuesday.

Both months were bolstered by a surge in car buying, but even excluding autos, sales rose 0.9 percent in November and 0.8 percent in October.

Retail sales totaled \$138.1 billion in November after adjustment for seasonal variations, the department's Census Bureau said.

The 1.1 percent jump was above most analysts' predictions of about a 0.9 percent advance and follows an even bigger 1.6 percent advance in October, the bureau said. The October rise, originally reported as 0.9 percent, matched a 1.6 percent March increase, the largest since a 1.8 percent advance in August 1987, the bureau said.

Analysts said the report would increase pressure on the Federal Reserve Board to increase interest rates to curb domestic demand, regarded by central bank economists as a dangerous inflationary threat.

The Federal Open Market Committee, the Fed's policy-making body, met Tuesday and was to meet again Wednesday, with a number of government reports before them showing the economy moving forward briskly.

The retail sales report "clearly increases the chance of a discount rate hike," said David Wyss, chief economist for Data Resources Inc. in Lexington, Massachusetts.

The Fed last raised its benchmark discount interest rate Aug. 9, to 6.5 percent.

"Certainly within the next month we'll see a rise in the discount rate," agreed Michael Evans, president of Evans Economics Inc.

The retail sales increase was fueled by a sharp pickup in automobile sales, up 2 percent from October and 12.7 percent ahead of November 1987, the bureau said.

The bureau also said October was a better month for car sales than thought before, with results up 4.6 percent from September

Deficit Declines In Wide Gauge Of U.S. Trade

WASHINGTON — The U.S. current-account deficit, the broadest measure of trade performance, shrank to \$30.89 billion in the third quarter of 1988, its lowest level in three years, the Commerce Department said on Tuesday.

The July-September deficit followed a revised \$33.74 billion gap in the second quarter and a \$36.94 billion first-quarter shortfall. The department previously reported a second-quarter gap of \$33.34 billion.

The current-account balance includes merchandise trade plus services and other payments to and from foreign entities. Roughly equal gains were posted in trade and services for the quarter.

The merchandise trade gap, which has been steadily shrinking from its peak of \$41.19 billion in the final quarter of 1987, fell to \$28.53 billion from \$30.15 billion in the second quarter.

The U.S. balance of payments for services and investments shifted to a \$757 million surplus from a second-quarter deficit of \$837 million.

rather than the previously reported 1.7 percent advance.

Sales of durable goods rose 1.8 percent in November, after a 2.5 percent October rise. Nondurable goods climbed 0.7 percent, following a 1.1 percent jump.

Separately, U.S. purchasing managers said the American economy would do better next year than it has in 1988, with continued growth and modest inflation.

Fifty-three percent of the purchasing managers said they felt 1989 would be better than 1988, (UPI, AP)

Update Sets 12% Growth For Korea

SEOUL — Outstripping previous government predictions, South Korea will record a brisk 12.1 percent economic growth this year, the central bank said on Tuesday.

The growth was powered by domestic spending and investment.

The report sent Korean stock prices higher, and the composite index climbed 9.98 points to a record 921.33, surpassing the all-time high set Monday.

The Bank of Korea said the inflation-adjusted gross national product was likely to grow to 114 billion won (\$165.9 billion) this year. The figure was well above the government's initial prediction of 8 percent growth made last year, and it also topped an updated prediction of 11.5 percent.

On a per capita basis, the predicted 1988 GNP is equivalent to about \$3,728, compared with \$2,861 last year.

The gross domestic product, the total value of goods and services minus foreign income, was expected to record 11 percent growth, reaching \$153 billion. Inflation was pegged at 4.3 percent.

Faster growth in domestic consumption, which was predicted at 8.1 percent, and government expenditure, up 10.4 percent, compensated for a decline in the rate of export growth, which was expected to fall to 11.3 percent on a volume basis from 24 percent last year, the central bank said.

"Exports contributed less to GNP growth than in previous years," a central bank official said. "This time it was domestic spending which pushed up growth."

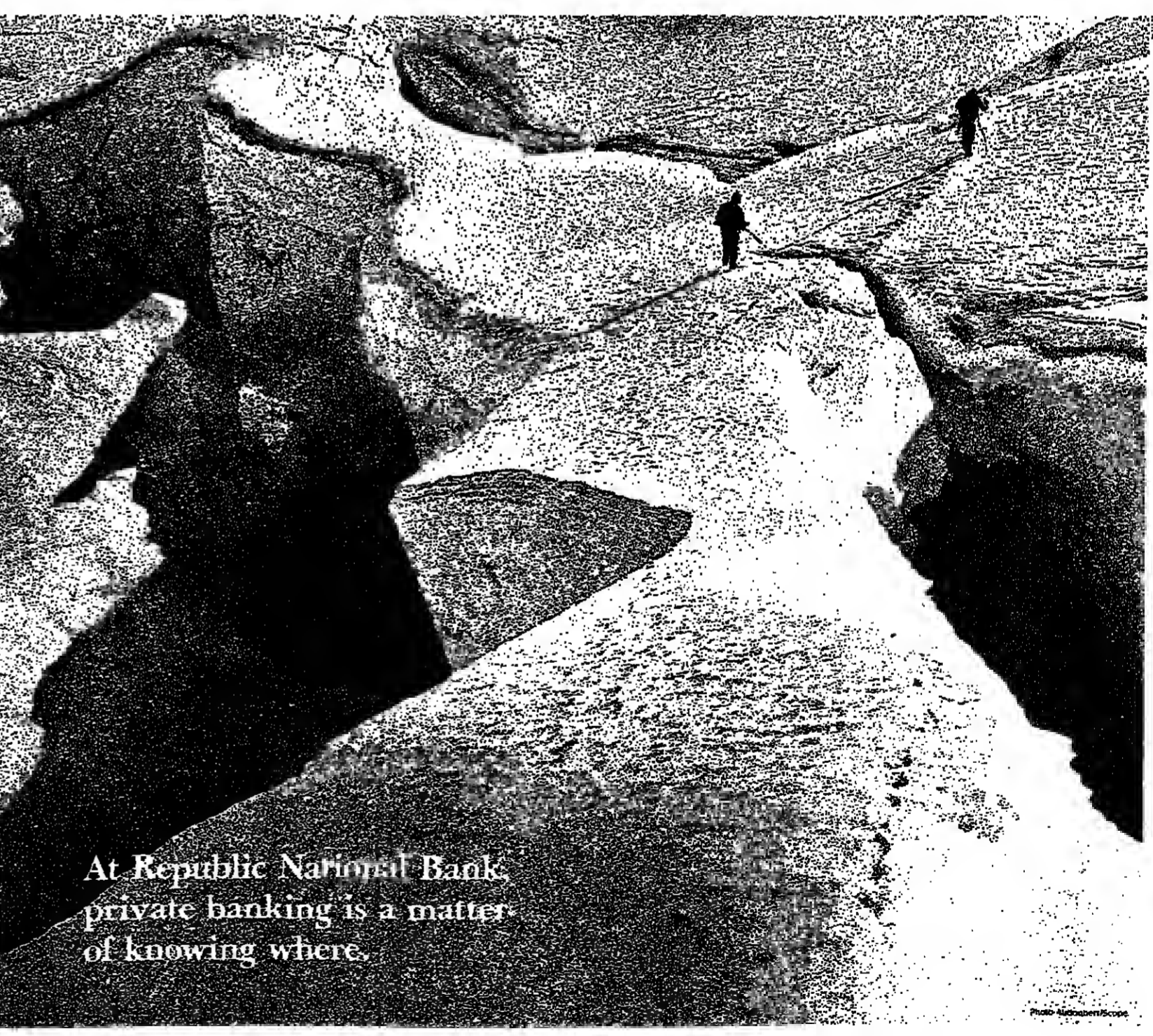
The won has appreciated by 15.7 percent against the dollar this year. The rate of import growth also declined, from 21.2 percent in 1987 to 13 percent, the report said.

"Despite worries over post-Olympic recession, the national economy showed healthy performance, marked by domestic consumption and investment," the official said.

Manufacturing showed the highest growth, 13.1 percent, down from 16.4 percent in 1987. Agriculture and fishing rose 8.4 percent, compared with a 4.3 percent decline last year.

"But under the continuing won appreciation against the dollar, exports show signs of slowdown," the official said. Exports were forecast to rise by 13.5 percent this year.

Analysts said that the country's economic growth was expected to slow to about 8 percent next year, mainly because of the appreciation of the won and subsequent reduction in export growth. Observers recalled the analysts said the same thing last year. (AFP, Reuters)



Advertisement for Republic National Bank of New York (Suisse) SA, featuring text about private banking and a list of international offices.

Vol.	High	Low	Last	Chg.
Deled	4527	19 1/2	19 1/2	+ 1/4
Telex	4077	22 1/2	22 1/2	+ 1/4
LTC	3757	11 1/2	11 1/2	+ 1/4
AMC	3573	15 1/2	15 1/2	+ 1/4
AMR	3573	45 1/2	45 1/2	+ 1/4
IBM	3573	175 1/2	175 1/2	+ 1/4
IBM	3573	175 1/2	175 1/2	+ 1/4
IBM	3573	175 1/2	175 1/2	+ 1/4
IBM	3573	175 1/2	175 1/2	+ 1/4
IBM	3573	175 1/2	175 1/2	+ 1/4

NYSE 4 a.m. volume	NYSE prev. close	NYSE 4 a.m. volume	NYSE prev. close
123,340,000	15,825,240	123,340,000	15,825,240
123,340,000	15,825,240	123,340,000	15,825,240
123,340,000	15,825,240	123,340,000	15,825,240
123,340,000	15,825,240	123,340,000	15,825,240
123,340,000	15,825,240	123,340,000	15,825,240

High	Low	Close	Chg.
1524.10	1514.40	1515.24	-0.10
1524.10	1514.40	1515.24	-0.10
1524.10	1514.40	1515.24	-0.10
1524.10	1514.40	1515.24	-0.10
1524.10	1514.40	1515.24	-0.10

**Tuesday's NYSE Closing**  
Via The Associated Press

Class	Prev.	Close
Advanced	21.55	21.55
Declined	24.00	24.00
Unchanged	21.55	21.55
Total	21.55	21.55
New Highs	21.55	21.55
New Lows	21.55	21.55

Class	Prev.	Close
Advanced	372.85	372.85
Declined	372.85	372.85
Unchanged	372.85	372.85
Total	372.85	372.85
New Highs	372.85	372.85
New Lows	372.85	372.85

Vol.	High	Low	Last	Chg.
Carroll	292	6 1/2	6 1/2	+ 1/4
Carroll	292	6 1/2	6 1/2	+ 1/4
Carroll	292	6 1/2	6 1/2	+ 1/4
Carroll	292	6 1/2	6 1/2	+ 1/4
Carroll	292	6 1/2	6 1/2	+ 1/4

Class	Chg.
Bonds	-0.12
Utilities	-0.13
Industrials	-0.13

Class	Prev.	Close
Advanced	662	662
Declined	662	662
Unchanged	662	662
Total	662	662
New Highs	662	662
New Lows	662	662

Buy	Sales	*\$M
Dec. 13	264,912	25,073
Dec. 1	233,225	22,524
Dec. 4	248,872	24,628
Dec. 7	248,872	24,628

Open	High	Low	Last	Chg.
Indus	2125.85	2131.14	2124.49	+ 1.91
Transp	942.22	945.99	942.88	+ 0.28
Comp	812.84	817.19	812.77	+ 0.38

High	Low	Close	Chg.	
Industrials	318.41	318.41	318.41	-0.01
Transportation	224.11	224.11	224.11	-0.07
Finance	262.32	262.32	262.32	+0.11
Utilities	274.25	274.25	274.25	+0.11
SP 100	264.43	264.43	264.43	+0.12

Class	Prev.	Close
Advanced	892	892
Declined	892	892
Unchanged	892	892
Total	892	892
New Highs	892	892
New Lows	892	892

High	Low	Close	Chg.
204.7	204.7	204.7	-0.05
204.7	204.7	204.7	-0.05
204.7	204.7	204.7	-0.05
204.7	204.7	204.7	-0.05
204.7	204.7	204.7	-0.05

12 Month High	Low	Div. Yld. PE	52 High	Low	Close	Chg.
27 1/2	15	4.1	19 1/2	15 1/2	15 1/2	+ 1/4
27 1/2	15	4.1	19 1/2	15 1/2	15 1/2	+ 1/4
27 1/2	15	4.1	19 1/2	15 1/2	15 1/2	+ 1/4
27 1/2	15	4.1	19 1/2	15 1/2	15 1/2	+ 1/4
27 1/2	15	4.1	19 1/2	15 1/2	15 1/2	+ 1/4

## NYSE Mixed in Slow Trading

**United Press International**  
NEW YORK — Prices on the New York Stock Exchange ended mixed Tuesday in desultory trading dampened by news of stronger-than-expected November retail sales and by hesitation before the release of a key measure of the economy's health.

The Dow Jones industrial average, which had fallen 3.91 Monday, recouped its previous loss by gaining 3.91 to close at 2,143.49, exactly where it stood Friday.

Declines led advances, however, by about a 9-5 ratio. Volume totaled 132.34 million shares, compared with 124.16 million shares traded Monday.

Volume included 4.8 million shares of Detroit Edison, which carries a 10.1 percent dividend yield. Tuesday was the last day an investor could purchase the issue and still collect the high dividend.

Broader measures of market activity also declined. The NYSE composite index fell 0.10 to 1525.24. Standard & Poor's 500-stock index slid 0.21 to 276.31 and the price of an average share lost 2 cents.

Shortly before the market opened, the Commerce Department reported the nation's retail sales rose 1.1 percent in November.

The 1.1 percent jump was larger than most analysts' predictions of a 0.9 percent advance and follows an even bigger 1.6 percent advance in October, the Commerce Department said.

Traders said the November retail sales figure indicated strong consumer demand continues to provide the fuel for robust economic growth.

"It's the good news-bad news syndrome," said Hildegard Zagorski, market analyst with Prudential-Bache Securities Inc., adding that the "very strong" retail sales figures added to traders' fears that the pace of inflation would quicken.

"The news caused the bond market to weaken and stocks followed bonds," she said.

The market's principal focus, however, is on the upcoming report on the nation's October trade deficit, due to be released Wednesday, analysts said. Wall Street forecasters estimated the trade shortfall would be within a range from about \$8.5 billion to \$10.5 billion, compared with September's deficit of \$10.46 billion.

"They're playing the numbers game again, looking only at the numbers," said Ralph Acampora, director of technical research at Kidder, Peabody & Co.

"There's no real reason — not apparently, anyway — to be negative," he said. "But people could be hearing they're walking around combing their faces."

Mr. Acampora said he expected the market to continue to drift aimlessly over the next several sessions.

Detroit Edison was the most active NYSE-listed issue, rising 1/4 to 16 1/4.

Texaco followed, climbing 1/4 to 51 1/4 on news that Carl C. Icahn, its largest shareholder, disclosed in a Securities and Exchange Commission filing that he had raised his stake in the nation's third largest oil company to 15.8 percent from 14.7 percent.

The Amex market value index fell 0.85 to close at 204.7. The price of an average share lost 4 cents. Declines led advances by about a 3-2 ratio. Amex volume totaled 8.49 million shares, compared with 8.33 million on Monday.

12 Month High	Low	Div. Yld. PE	52 High	Low	Close	Chg.
17 1/2	13	4.1	17 1/2	13	13	+ 1/4
17 1/2	13	4.1	17 1/2	13	13	+ 1/4
17 1/2	13	4.1	17 1/2	13	13	+ 1/4
17 1/2	13	4.1	17 1/2	13	13	+ 1/4
17 1/2	13	4.1	17 1/2	13	13	+ 1/4

12 Month High	Low	Div. Yld. PE	52 High	Low	Close	Chg.
17 1/2	13	4.1	17 1/2	13	13	+ 1/4
17 1/2	13	4.1	17 1/2	13	13	+ 1/4
17 1/2	13	4.1	17 1/2	13	13	+ 1/4
17 1/2	13	4.1	17 1/2	13	13	+ 1/4
17 1/2	13	4.1	17 1/2	13	13	+ 1/4

12 Month High	Low	Div. Yld. PE	52 High	Low	Close	Chg.
17 1/2	13	4.1	17 1/2	13	13	+ 1/4
17 1/2	13	4.1	17 1/2	13	13	+ 1/4
17 1/2	13	4.1	17 1/2	13	13	+ 1/4
17 1/2	13	4.1	17 1/2	13	13	+ 1/4
17 1/2	13	4.1	17 1/2	13	13	+ 1/4

12 Month High	Low	Div. Yld. PE	52 High	Low	Close	Chg.
17 1/2	13	4.1	17 1/2	13	13	+ 1/4
17 1/2	13	4.1	17 1/2	13	13	+ 1/4
17 1/2	13	4.1	17 1/2	13	13	+ 1/4
17 1/2	13	4.1	17 1/2	13	13	+ 1/4
17 1/2	13	4.1	17 1/2	13	13	+ 1/4

12 Month High	Low	Div. Yld. PE	52 High	Low	Close	Chg.
17 1/2	13	4.1	17 1/2	13	13	+ 1/4
17 1/2	13	4.1	17 1/2	13	13	+ 1/4
17 1/2	13	4.1	17 1/2	13	13	+ 1/4
17 1/2	13	4.1	17 1/2	13	13	+ 1/4
17 1/2	13	4.1	17 1/2	13	13	+ 1/4

12 Month High	Low	Div. Yld. PE	52 High	Low	Close	Chg.
17 1/2	13	4.1	17 1/2	13	13	+ 1/4
17 1/2	13	4.1	17 1/2	13	13	+ 1/4
17 1/2	13	4.1	17 1/2	13	13	+ 1/4
17 1/2	13	4.1	17 1/2	13	13	+ 1/4
17 1/2	13	4.1	17 1/2	13	13	+ 1/4

12 Month High	Low	Div. Yld. PE	52 High	Low	Close	Chg.
17 1/2	13	4.1	17 1/2	13	13	+ 1/4
17 1/2	13	4.1	17 1/2	13	13	+ 1/4
17 1/2	13	4.1	17 1/2	13	13	+ 1/4
17 1/2	13	4.1	17 1/2	13	13	+ 1/4
17 1/2	13	4.1	17 1/2	13	13	+ 1/4

12 Month High	Low	Div. Yld. PE	52 High	Low	Close	Chg.
17 1/2	13	4.1	17 1/2	13	13	+ 1/4
17 1/2	13	4.1	17 1/2	13	13	+ 1/4
17 1/2	13	4.1	17 1/2	13	13	+ 1/4
17 1/2	13	4.1	17 1/2	13	13	+ 1/4
17 1/2	13	4.1	17 1/2	13	13	+ 1/4

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**BUSINESS IS**

**Morgan Is About To**

TOKYO — The Japanese Ministry has asked Morgan Stanley Inc. to explain its recent share buying in the Japanese market.

AMERSTAD DEPOSIT COMPANY N.V.

AMERICAN EXPRESS COMPANY

The Quarterly Report as of 31st December 1988 may be obtained from:

Pierson, Holding & Pierson

Herengracht 214, 1016 BS - A

BUSINESS ROUNDUP

Morgan Is Questioned About Tokyo Trading

TOKYO — The Japanese Finance Ministry has asked Morgan Stanley Japan Ltd. to explain its futures-related share buying after the firm apparently broke an unwritten rule followed by brokerages on the Tokyo Stock Exchange.

A ministry official said Tuesday that the unit of the U.S.-based Morgan Stanley Group Inc. was asked to detail its trading shortly before the close on Dec. 7, when a flurry of index futures-related orders in the last half hour helped lift the Nikkei stock average by about 200 points, brokers said.

"It seems they may have broken an industry self-restraint rule against large volume trade just before the close," the official said.

Morgan Stanley officials declined to comment on their trading. Brokers said informal securities industry guidelines call for brokerages to refrain from buying on their own account in the final 15 to 30 minutes before the market closes.

"They aren't supposed to do anything near the close, especially if prices are looking at new high levels," said a foreign broker. "But it's not a strict rule in the books."

Dec. 7 was the first time Japan experienced a "witching hour" since index futures were introduced last September.

A "witching hour" is the last hour of trading on the day when investors may close out spot contracts before delivery. Some contract holders try to cut their losses or increase profits by trading in the cash market to move the index closer to or farther away from their futures positions.

A Nikkei-225 index futures contract on the Osaka Stock Exchange and a TOPIX futures contract on the Tokyo Stock Exchange were launched Sept. 3.

On Dec. 7, arbitrage activity between the cash and futures markets was a key factor in raising the Nikkei by 381.44 points to a record 30,050.82, brokers said.

Morgan Stanley, the Salomon

Inc. subsidiary Salomon Brothers (Asia) Ltd. and Goldman Sachs (Japan) Ltd. were particularly active in arbitrage activity, brokers said.

"Both Salomon and Goldman Sachs were buying throughout the day," said a foreign broker. "Morgan bought a huge amount at the end of the day."

The Finance Ministry official said no brokerages other than Morgan Stanley had been asked to provide explanations of their trading activity.

Prime Minister Norio Takeuchi has told his ministers to make government officials more careful about trading shares, government sources said Tuesday. He was quoted as telling ministers at a meeting that government officials should discipline themselves more strictly.

The remarks were made in reference to a recent major stock trading scandal involving aides to government officials. The cabinet is expected Friday to adopt measures to restrain stock trading by officials, the sources said.

Consumers Await Spoils of a Japanese Camcorder War

TOKYO — Plans by Japan's electronics giants to step up production of compact video cameras is leading them into a price war that will benefit the consumer, analysts say.

Matsushita Electric Industrial Co. and an affiliate, Victor Co. of Japan, known as JVC, are squaring off against archrival Sony Corp. over the potentially vast market.

"So far the race for market share is neck and neck," said Darrel Whitten, associate director of Far East research at Prudential-Bache Securities (Japan) Ltd.

The compact video cameras, also known as camcorders, can film action sequences and play them back on television, either directly or through a videotape recorder.

An estimated 1.5 million camcorders are expected to be sold in Japan in 1988, up about 50 percent from 1987, industry spokesmen say. Exports in 1988 are estimated at 4.5 million, up from 3.2 million in 1987.

Analysts say they believe that the surge will continue and that if local demand grows at about 30 percent, camcorders will begin out-selling video recorders sometime in 1990.

"As camcorder production increases, the companies will cut costs by emphasizing mass production and that will allow them to cut prices," Mr. Whitten said.

At the same time, consumers will chase bargains, and price cuts by one company will lead to reductions by competitors, analysts say. That could start a downward spiral that may please consumers but cut profit margins.

"Toward the middle part of next year we will see a big price reduction in camcorders," Mr. Whitten added. "Twenty percent in price cuts is no mysterious figure."

Hitori Hashimoto, an electronics analyst at Kleinwort Benson International Inc. in Tokyo, mentioned the same figure. She said that although companies now enjoy a high profit margin from camcorders, it will probably decline next year.

Competition could be intensified by the appearance of a South Korean competitor next year, analysts say. Samsung Electronics Co. and Lucky-Goldstar Group have already mounted an assault on Japan's video recorder market, and camcorders are a logical next step.

Uou'll now the camcorder war has focused on differences in features between the Sony and Matsushita/JVC models.

Sony was first into the market in 1985 with its 8mm format, which is smaller and can record more than rival models. Its CCD-V88 retails for 215,000 yen (\$1,750) and weighs just 900 grams (about 2 pounds), while its heavier VTR-TV GV-8 sells for 128,000 yen.

JVC, which is 50.8 percent owned by Matsushita, offers a S-VHS-C system, which records sharper pictures than Sony's but costs more. The CR-S55 retails for 250,000 yen.

Camcorders made by Matsushita are similar to those produced by JVC but cheaper. It began selling an S-VHS-C model in mid-October for 188,000 yen, but it is more bulky and weighs 1.5 kilograms.

One difference between them is that while both camcorders can replay by being plugged directly into a television, the Matsushita/Victor half-inch (12.8mm) VHS tapes can be inserted into standard recorders with the help of an adapter.

Atari Games Sues Nintendo Over Home Video 'Lockout'

Compiled by Our Staff From Dispatches

SAN FRANCISCO — Atari Games Corp. has sued Nintendo Co. for \$100 million, contending that the Japanese company's U.S. unit is monopolizing the home video game market with a system that locks out competitors' game cartridges.

Atari Games, which is privately held and not affiliated with Atari Corp., recently introduced Nintendo-compatible game cartridges.

The suit was filed Monday in U.S. District Court against Nintendo and its U.S. unit. It said Atari had finally developed "the functional equivalent of a key that will unlock the lockout system," after suffering \$30 million to \$35 million in damages over several years. The suit seeks triple damages under antitrust laws.

Lynn Hvalsoe, general counsel for Nintendo of America Inc. in Redmond, Washington, said the company declined comment.

Atari said Nintendo controlled more than 80 percent of the U.S. market for home video game machines. The suit said Nintendo had equipped its machines for several years with a computer chip that allows the machines to accept only cartridges with a compatible chip.

"Using this barrier and its completely dominating position in the market for home video game machines, Nintendo has forced the more than 30 companies that have written games that play on Nintendo machines to have all of their game cartridges manufactured by Nintendo-Japan at prices it dictates," the suit charged.

The suit said Nintendo probably would earn more than \$1 billion in revenue this year from U.S. sales of home video cartridges that play on its machines.

Atari alleged that Nintendo's exclusionary practices limit competition and variety on the market and drive up prices.

(AP, Reuters)

How to Fight P...

But leaders of the opposition Liberal Democratic Party said Monday that they would not be taking part in a new election...

Thor Again Swings to L...

There have been a number of "swing" states in the election, but the results are still uncertain...

Center

FINANCIAL SERVICES OFFICE

AMSTERDAM DEPOSITARY COMPANY N.V.

AMSTERDAM DEPOSITARY COMPANY N.V. Amsterdam, 7th December 1988.

AMSTERDAM DEPOSITARY COMPANY N.V.

AMSTERDAM DEPOSITARY COMPANY N.V. Amsterdam, 7th December 1988.

AMERICAN EXPRESS COMPANY

AMERICAN EXPRESS COMPANY (CDR's) Amsterdam, 02 December 1988.

WORLD STOCK IN REVIEW

Leveraged Capital Holdings N.V. The Quarterly Report as of 30th September 1988 has been published and may be obtained from:

The Quarterly Report as of 30th September 1988 has been published and may be obtained from: Pierson, Holding & Pierson NV, Herengracht 214, 1016 BS Amsterdam. Tel. +31-20-211188

The Carlyle Hotel, 270th Street, New York 10021. Cable The Carlyle New York. International Tel. 620882. Telephone 212-744-1008. FAX 212-717-4882. A member of The Sharp Group since 1987.

ROYCO INVESTMENT COMPANY NV, Gross Surplus. Month Nov. 1988 2.47%, Jan. 1st - Nov. 30th 38.09%. For further information contact: ROYCO MARKETING S.A., 28, Ch. du Petit-Saconnex, CH-1209 GENEVA. Tel: (41 22) 33 22 03. Fax: (022) 34 52 68.

SEKISUI HOUSE, LTD. (CDR's). The undersigned announces that the Semi-Annual Report for the six months ended 31st July 1988 of Sekisui House, Ltd. will be available in Amsterdam at: Algemeene Bank Nederland N.V., Amsterdam-Rotterdam Bank N.V., Bank Mees & Hope NV, Pierson, Holding & Pierson N.V., Kas-Associatie N.V. AMSTERDAM DEPOSITARY COMPANY N.V. Amsterdam, 7th December, 1988.

MAKITA ELECTRIC WORKS, LTD. (CDR's). The undersigned announces that the Interim Report for the six months ended 30th September 1988 of Makita Electric Works, Ltd. will be available in Amsterdam at: Algemeene Bank Nederland N.V., Amsterdam-Rotterdam Bank N.V., Bank Mees & Hope NV, Pierson, Holding & Pierson N.V., Kas-Associatie N.V. AMSTERDAM DEPOSITARY COMPANY N.V. Amsterdam, 7th December 1988.

BRITISH PETROLEUM COMPANY P.L.C. (CDR's). The undersigned announces that as from 19th December 1988 at Kas-Associatie N.V., Spuistraat 172, Amsterdam, Div. no. 35 of the CDR's British Petroleum Company P.L.C. will be payable with Dfls. 7.22 per CDR, repr. 40 shares. (re interim dividend for the year 1988) 5p per share. Interest Pst. 0.664 = Dfls. 2.40 per CDR. Div. no. 35. Non-residents of the United Kingdom can only claim this tax credit when the relevant tax treaty meets this facility. AMSTERDAM DEPOSITARY COMPANY N.V. Amsterdam, 5th December, 1988.

FREE INFORMATION FROM INTERNATIONAL INVESTOR XII Herald Tribune. The latest information from the distinguished companies listed in this section is available to you at no charge. Simply circle the appropriate number on the coupon at the bottom of the page and return it to us before January 7, or telex the numbers with your return address, and the report(s) will be mailed to you by the companies involved.

BAYERISCHE VEREINSBANK, the largest private banking group in the long-term credit sector in the Federal Republic of Germany, has further expanded its network at home and abroad. We are represented in many parts of the world through approximately 400 branches and representative offices in Europe, the USA, Japan, Hong Kong, China, South America and the Middle East. Within Europe we are fourteen, worldwide we are number 35. In the past year, our total assets increased by 7.5% to DM 87.6 billion. Net profit for the year came to DM 185.5 million, the greater part of which was distributed to our shareholders. The bank paid its shareholders, numbering more than 100,000, a dividend of DM 13 per share of common stock. BAYERISCHE VEREINSBANK shares are traded on all stock exchanges in the Federal Republic of Germany, as well as in Zurich, Geneva, Basle, Vienna and Paris. For further information on BAYERISCHE VEREINSBANK, please contact: Bayerische Vereinsbank AG, WMC 1, Postfach 1, 8000 Munich 1, West Germany.

JS TELECOM Groupe Bosch. Jeumont Schneider in France and Telenorma (a German subsidiary of Robert BOSCH) have joined forces to create in Europe a new concern which is even now able to offer: data-processing, office-automation and telephone equipment (capable of carrying between 2 and 12,000 lines — and more) a guarantee that the hardware, built already to the integrated services digital network (ISDN) standards, will last well into the next century. an exceptional capacity for innovation with a 3.8 billion French franc R&D budget.

SAAB-SCANIA Leaders in specialized transport technology. Interim report January-August 1988. Saab-Scania's sales and income increased during the year. SUMMARY OF INTERIM REPORT FOR JANUARY—AUGUST 1988: Consolidated sales SEK 27,620 m. (25,832); Consolidated income SEK 1,964 m. (1,806); Pre-tax return on capital employed 23.4 per cent (23.2); Income per share, after 50 per cent taxes, SEK 27.10 (22.70); Sale of Saab-Scania Enertech. EXTRACT FROM THE COMMENT BY PRESIDENT GEORG KARNSUND: "The Scania Division is on its way to another record-breaking year. During the autumn, the Saab Car Division will begin sales of the Saab 9000 CD sedan in several major markets, while the Saab Aircraft Division is enjoying success in sales of the Saab 340 regional commuter aircraft. The divestment of Enertech is an industrially motivated decision, which also means that Saab-Scania is further concentrating its activities to the field of transport."

CIMENTS FRANCAIS GROUP. Societe des Ciments Francais is a leading international producer and supplier of cement, aggregates, ready-mixed concrete and construction materials. It is the parent company of a Group which employs over 9,000 people in Europe and North America. Group key figures (in FF million): 1987 1988 (E); Sales 8,050 9,500; Net Income 590 750/800; Cash flow 1,184 1,350/1,500.

Limburg Your European hub. There is a location in Western Europe where 50 million consumers live within a distance of no more than 130 miles and where 70% of the major European companies are located within a radius of 250 miles. It has direct access to all European motorways and all international airways, it has the complete range of up-to-date technical, educational, medical and cultural facilities. It offers companies from abroad financial participations and competitive financial incentives plus full information and practical assistance in all start-up procedures. It is a comfortable and beautiful part of the world to live and work. Its name is "Limburg", in the South of the Netherlands. Limburg Investments Ltd/LIOF. P.O. Box 800, 6200 AV MAASTRICHT The Netherlands. Tel. 31.43.280280. Tlx: 56706. Fax: 31.43.280200.

Mail this coupon or send telex to: Matthew Greene/International Investor XII, International Herald Tribune, 181 Avenue Charles-de-Goulle, 92521 Neuilly Cedex, France. Telex: 613595 F. Fax: 46 37 9370. Please send me the reports from the companies circled, at no cost or obligation. Check here:  if you would like information sent to you so that your company is included in our International Investor XIII feature scheduled for April 1989, please attach your business card.

BASF. Following its solid earnings in 1987, BASF is again turning in a strong performance in 1988. Figures for the first three quarters show Group sales up by 7.8% and pre-tax profits up by 22.7% over the comparable period of the previous year. Pre-tax profits reached DM 2.6 billion on sales of some DM 32.5 billion with especially strong demand in the chemicals, plastics, dyestuffs, and finishing products sectors. Capital investments increased by 31.9%. For the parent company, BASF Aktiengesellschaft, sales rose 11.8% to DM 15.5 billion, and pre-tax profits were boosted by 48.6% to DM 1.9 billion. Looking beyond 1988, BASF is well-positioned as one of the world's blue-chip chemical companies. BASF Aktiengesellschaft, D-6700 Ludwigshafen, West Germany.

COMPAGNIE DU MIDI. COMPAGNIE DU MIDI is the holding company of a diversified group, mainly operating in insurance with Axa-Midi Assurances, banking and financial services, property holdings, industry and trade. Total revenues: 44,500 (+) (FF 000,000); Shareholders' interests: 2,200 (+) (FF 000,000); (FF per adjusted share) Shareholder current income: 80.74; Shareholder non current income: 28.90; Midi group's chairman: M. Bernard PAGEZY. (\* Non audited, after shareholders' meeting of June 22nd, including minority shareholders and associated mutual insurance companies in "other interests")

DOLLARS AND SENSE. In the transportation business, take in any other business - you don't get anything for nothing. Maxima Lines may not always appear to be the most expensive, but what we offer is TOTAL economy. Our line of good documentation, punctuality, last minute times, reliability, fast changing times, responsibility, and cost efficient inter-transportation give the greatest value for money - your money. Take us - and then decide. MAXIMA LINE - SERVICE ALL THE WORLD.

Herald Tribune. 1 2 3 4 5 6 7 8. Name: \_\_\_\_\_ Job Title: \_\_\_\_\_ Company: \_\_\_\_\_ Address: \_\_\_\_\_ City: \_\_\_\_\_ Code: \_\_\_\_\_ Country: \_\_\_\_\_ IHT12





BUSINESS ROUNDUP

Icahn Raises His Stake in Texaco

NEW YORK — Carl C. Icahn disclosed Tuesday that he had increased his stake in Texaco Inc. to 15.8 percent, raising new questions about the takeover strategy's ultimate plans regarding the third largest U.S. oil company.

Racal Reports 44% Increase In Pretax Profit

LONDON — Racal Electronics PLC reported Tuesday that pretax profit for the six months ended in mid-October jumped 43.8 percent, to \$62.4 million (\$115 million) from \$43.4 million.

EC Starts Investigation of Hostile Bid for Plessey

BRUSSELS — The European Commission is starting a formal investigation of the hostile takeover bid for Plessey Co. by General Electric Co. and Siemens AG after a complaint by Plessey that the bid breaks competition rules in the European Community, an EC spokesman said Tuesday.

VW Sees 7% Sales Rise And Higher Net for '88

WOLFSBURG, West Germany — Volkswagen AG predicted Tuesday that 1988 group sales would rise 7 percent, or 4 billion Deutsche marks, to just under 59 billion DM (\$33.8 billion).

ROLM: IBM and Siemens Unveil Plan to Divide Firm

(Continued from first finance page) although its share of the U.S. telephone-equipment market has risen to 18.1 percent from 14.2 percent in 1984, according to Northern Business Information-Datapro.

SIEMENS: Europe's Largest Electronics Company Adopts a World View

(Continued from first finance page) involve a shift of staff away from Munich. "There will be smaller, more flexible units that will be able to adapt to change more easily," Mr. Baumann said.

ADS: Another Puzzler for 1992

(Continued from first finance page) line" with high-tech special effects that filmmakers would have seen in the cinema, Mr. Fraser said.

Time has eroded the Arc de Triomphe... the time has come to act.

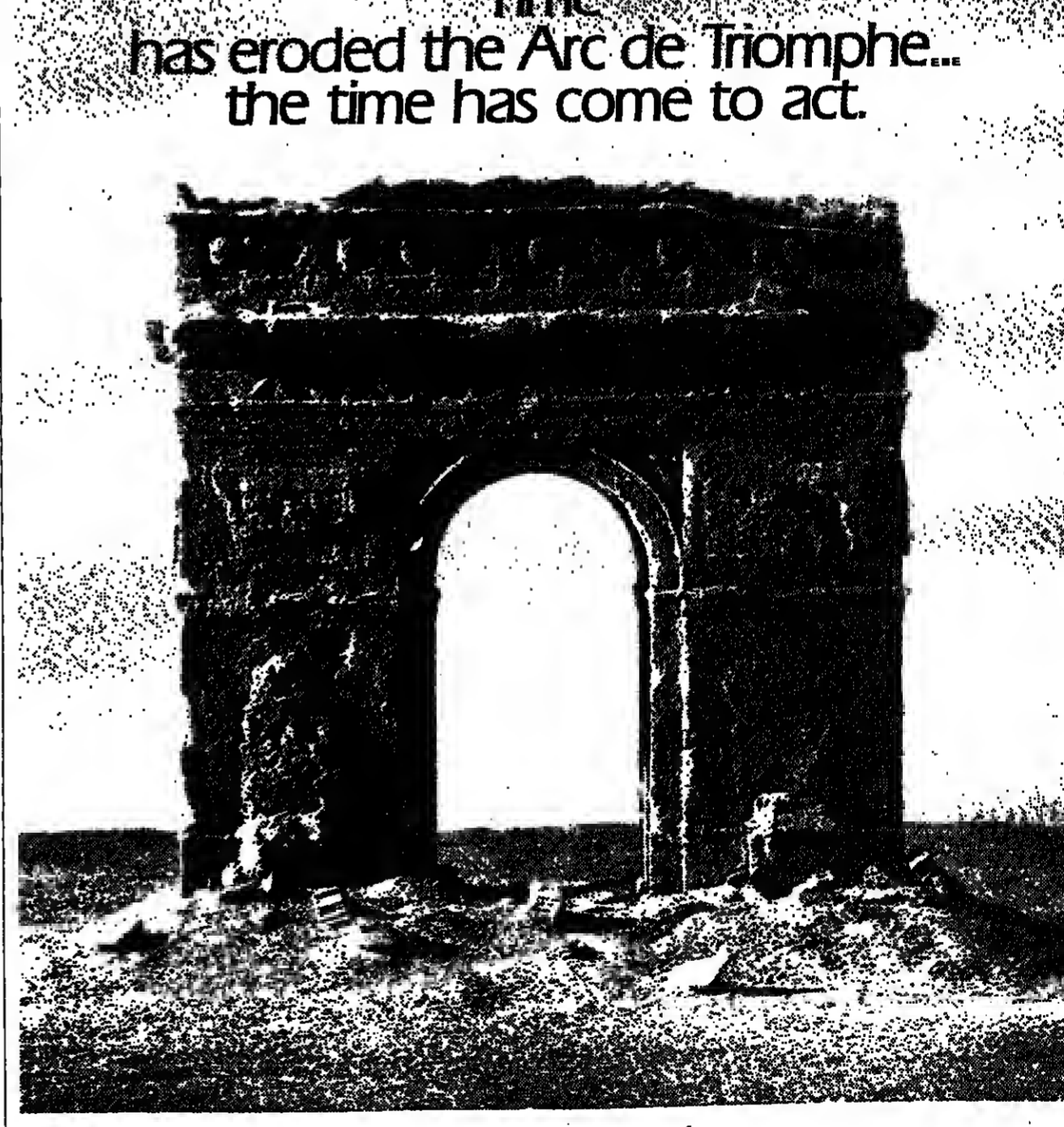


Table with multiple columns listing various international funds, their names, and numerical values. Includes sections for 'INTERNATIONAL FUNDS' and 'ADVERTISING'.

For over a century and a half, the Arc de Triomphe has been a witness to the great moments of French history. And every day, for the past 63 years, the sacred flame which burns beneath the arch, has symbolized the continuity of France.

**Tuesday's AMEX Closing**

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

By The Associated Press

12 Month High Low	Div. Yld. PE	52 High Low	Close	12 Month High Low	Div. Yld. PE	52 High Low	Close
IBM	4.0	15.0	110.00	105.00	4.0	15.0	110.00
Microsoft	1.0	10.0	45.00	42.00	1.0	10.0	45.00
Apple	0.5	12.0	25.00	24.00	0.5	12.0	25.00
Oracle	0.8	11.0	18.00	17.00	0.8	11.0	18.00
Lotus	0.6	13.0	15.00	14.00	0.6	13.0	15.00
Novell	0.7	14.0	12.00	11.00	0.7	14.0	12.00
Int'l Business Machines	3.5	16.0	100.00	95.00	3.5	16.0	100.00
Electronic Data Systems	2.5	17.0	80.00	75.00	2.5	17.0	80.00
Computer Associates	1.5	18.0	60.00	55.00	1.5	18.0	60.00
Software	1.0	19.0	40.00	35.00	1.0	19.0	40.00
Systems	0.8	20.0	30.00	25.00	0.8	20.0	30.00
Technology	0.6	21.0	20.00	15.00	0.6	21.0	20.00
Services	0.5	22.0	15.00	10.00	0.5	22.0	15.00
Products	0.4	23.0	10.00	5.00	0.4	23.0	10.00
Development	0.3	24.0	5.00	2.00	0.3	24.0	5.00
Research	0.2	25.0	2.00	1.00	0.2	25.0	2.00
Engineering	0.1	26.0	1.00	0.50	0.1	26.0	1.00
Manufacturing	0.0	27.0	0.50	0.25	0.0	27.0	0.50
Distribution	0.0	28.0	0.25	0.12	0.0	28.0	0.25
Marketing	0.0	29.0	0.12	0.06	0.0	29.0	0.12
Advertising	0.0	30.0	0.06	0.03	0.0	30.0	0.06
Public Relations	0.0	31.0	0.03	0.01	0.0	31.0	0.03
Legal	0.0	32.0	0.01	0.00	0.0	32.0	0.01
Accounting	0.0	33.0	0.00	0.00	0.0	33.0	0.00
Insurance	0.0	34.0	0.00	0.00	0.0	34.0	0.00
Finance	0.0	35.0	0.00	0.00	0.0	35.0	0.00
Real Estate	0.0	36.0	0.00	0.00	0.0	36.0	0.00
Utilities	0.0	37.0	0.00	0.00	0.0	37.0	0.00
Telecommunications	0.0	38.0	0.00	0.00	0.0	38.0	0.00
Transportation	0.0	39.0	0.00	0.00	0.0	39.0	0.00
Energy	0.0	40.0	0.00	0.00	0.0	40.0	0.00
Healthcare	0.0	41.0	0.00	0.00	0.0	41.0	0.00
Food	0.0	42.0	0.00	0.00	0.0	42.0	0.00
Textiles	0.0	43.0	0.00	0.00	0.0	43.0	0.00
Chemicals	0.0	44.0	0.00	0.00	0.0	44.0	0.00
Metals	0.0	45.0	0.00	0.00	0.0	45.0	0.00
Plastics	0.0	46.0	0.00	0.00	0.0	46.0	0.00
Automotive	0.0	47.0	0.00	0.00	0.0	47.0	0.00
Aerospace	0.0	48.0	0.00	0.00	0.0	48.0	0.00
Defense	0.0	49.0	0.00	0.00	0.0	49.0	0.00
Government	0.0	50.0	0.00	0.00	0.0	50.0	0.00
International	0.0	51.0	0.00	0.00	0.0	51.0	0.00
Emerging Markets	0.0	52.0	0.00	0.00	0.0	52.0	0.00
Commodities	0.0	53.0	0.00	0.00	0.0	53.0	0.00
Options	0.0	54.0	0.00	0.00	0.0	54.0	0.00
Futures	0.0	55.0	0.00	0.00	0.0	55.0	0.00
Derivatives	0.0	56.0	0.00	0.00	0.0	56.0	0.00
Structured Products	0.0	57.0	0.00	0.00	0.0	57.0	0.00
Investment Funds	0.0	58.0	0.00	0.00	0.0	58.0	0.00
Real Estate Funds	0.0	59.0	0.00	0.00	0.0	59.0	0.00
Money Market Funds	0.0	60.0	0.00	0.00	0.0	60.0	0.00
Bond Funds	0.0	61.0	0.00	0.00	0.0	61.0	0.00
Stock Funds	0.0	62.0	0.00	0.00	0.0	62.0	0.00
International Funds	0.0	63.0	0.00	0.00	0.0	63.0	0.00
Commodity Funds	0.0	64.0	0.00	0.00	0.0	64.0	0.00
Options Funds	0.0	65.0	0.00	0.00	0.0	65.0	0.00
Futures Funds	0.0	66.0	0.00	0.00	0.0	66.0	0.00
Derivatives Funds	0.0	67.0	0.00	0.00	0.0	67.0	0.00
Structured Products Funds	0.0	68.0	0.00	0.00	0.0	68.0	0.00
Investment Funds	0.0	69.0	0.00	0.00	0.0	69.0	0.00
Real Estate Funds	0.0	70.0	0.00	0.00	0.0	70.0	0.00
Money Market Funds	0.0	71.0	0.00	0.00	0.0	71.0	0.00
Bond Funds	0.0	72.0	0.00	0.00	0.0	72.0	0.00
Stock Funds	0.0	73.0	0.00	0.00	0.0	73.0	0.00
International Funds	0.0	74.0	0.00	0.00	0.0	74.0	0.00
Commodity Funds	0.0	75.0	0.00	0.00	0.0	75.0	0.00
Options Funds	0.0	76.0	0.00	0.00	0.0	76.0	0.00
Futures Funds	0.0	77.0	0.00	0.00	0.0	77.0	0.00
Derivatives Funds	0.0	78.0	0.00	0.00	0.0	78.0	0.00
Structured Products Funds	0.0	79.0	0.00	0.00	0.0	79.0	0.00
Investment Funds	0.0	80.0	0.00	0.00	0.0	80.0	0.00

12 Month High Low	Div. Yld. PE	52 High Low	Close	12 Month High Low	Div. Yld. PE	52 High Low	Close
IBM	4.0	15.0	110.00	105.00	4.0	15.0	110.00
Microsoft	1.0	10.0	45.00	42.00	1.0	10.0	45.00
Apple	0.5	12.0	25.00	24.00	0.5	12.0	25.00
Oracle	0.8	11.0	18.00	17.00	0.8	11.0	18.00
Lotus	0.6	13.0	15.00	14.00	0.6	13.0	15.00
Novell	0.7	14.0	12.00	11.00	0.7	14.0	12.00
Int'l Business Machines	3.5	16.0	100.00	95.00	3.5	16.0	100.00
Electronic Data Systems	2.5	17.0	80.00	75.00	2.5	17.0	80.00
Computer Associates	1.5	18.0	60.00	55.00	1.5	18.0	60.00
Software	1.0	19.0	40.00	35.00	1.0	19.0	40.00
Systems	0.8	20.0	30.00	25.00	0.8	20.0	30.00
Technology	0.6	21.0	20.00	15.00	0.6	21.0	20.00
Services	0.5	22.0	15.00	10.00	0.5	22.0	15.00
Products	0.4	23.0	10.00	5.00	0.4	23.0	10.00
Development	0.3	24.0	5.00	2.00	0.3	24.0	5.00
Research	0.2	25.0	2.00	1.00	0.2	25.0	2.00
Engineering	0.1	26.0	1.00	0.50	0.1	26.0	1.00
Manufacturing	0.0	27.0	0.50	0.25	0.0	27.0	0.50
Distribution	0.0	28.0	0.25	0.12	0.0	28.0	0.25
Marketing	0.0	29.0	0.12	0.06	0.0	29.0	0.12
Public Relations	0.0	30.0	0.06	0.03	0.0	30.0	0.06
Legal	0.0	31.0	0.03	0.01	0.0	31.0	0.03
Accounting	0.0	32.0	0.01	0.00	0.0	32.0	0.01
Insurance	0.0	33.0	0.00	0.00	0.0	33.0	0.00
Finance	0.0	34.0	0.00	0.00	0.0	34.0	0.00
Real Estate	0.0	35.0	0.00	0.00	0.0	35.0	0.00
Utilities	0.0	36.0	0.00	0.00	0.0	36.0	0.00
Telecommunications	0.0	37.0	0.00	0.00	0.0	37.0	0.00
Transportation	0.0	38.0	0.00	0.00	0.0	38.0	0.00
Energy	0.0	39.0	0.00	0.00	0.0	39.0	0.00
Healthcare	0.0	40.0	0.00	0.00	0.0	40.0	0.00
Food	0.0	41.0	0.00	0.00	0.0	41.0	0.00
Textiles	0.0	42.0	0.00	0.00	0.0	42.0	0.00
Chemicals	0.0	43.0	0.00	0.00	0.0	43.0	0.00
Metals	0.0	44.0	0.00	0.00	0.0	44.0	0.00
Plastics	0.0	45.0	0.00	0.00	0.0	45.0	0.00
Automotive	0.0	46.0	0.00	0.00	0.0	46.0	0.00
Aerospace	0.0	47.0	0.00	0.00	0.0	47.0	0.00
Defense	0.0	48.0	0.00	0.00	0.0	48.0	0.00
Government	0.0	49.0	0.00	0.00	0.0	49.0	0.00
International	0.0	50.0	0.00	0.00	0.0	50.0	0.00
Emerging Markets	0.0	51.0	0.00	0.00	0.0	51.0	0.00
Commodities	0.0	52.0	0.00	0.00	0.0	52.0	0.00
Options	0.0	53.0	0.00	0.00	0.0	53.0	0.00
Futures	0.0	54.0	0.00	0.00	0.0	54.0	0.00
Derivatives	0.0	55.0	0.00	0.00	0.0	55.0	0.00
Structured Products	0.0	56.0	0.00	0.00	0.0	56.0	0.00
Investment Funds	0.0	57.0	0.00	0.00	0.0	57.0	0.00
Real Estate Funds	0.0	58.0	0.00	0.00	0.0	58.0	0.00
Money Market Funds	0.0	59.0	0.00	0.00	0.0	59.0	0.00
Bond Funds	0.0	60.0	0.00	0.00	0.0	60.0	0.00
Stock Funds	0.0	61.0	0.00	0.00	0.0	61.0	0.00
International Funds	0.0	62.0	0.00	0.00	0.0	62.0	0.00
Commodity Funds	0.0	63.0	0.00	0.00	0.0	63.0	0.00
Options Funds	0.0	64.0	0.00	0.00	0.0	64.0	0.00
Futures Funds	0.0	65.0	0.00	0.00	0.0	65.0	0.00
Derivatives Funds	0.0	66.0	0.00	0.00	0.0	66.0	0.00
Structured Products Funds	0.0	67.0	0.00	0.00	0.0	67.0	0.00
Investment Funds	0.0	68.0	0.00	0.00	0.0	68.0	0.00
Real Estate Funds	0.0	69.0	0.00	0.00	0.0	69.0	0.00
Money Market Funds	0.0	70.0	0.00	0.00	0.0	70.0	0.00
Bond Funds	0.0	71.0	0.00	0.00	0.0	71.0	0.00
Stock Funds	0.0	72.0	0.00	0.00	0.0	72.0	0.00
International Funds	0.0	73.0	0.00	0.00	0.0	73.0	0.00
Commodity Funds	0.0	74.0	0.00	0.00	0.0	74.0	0.00
Options Funds	0.0	75.0	0.00	0.00	0.0	75.0	0.00
Futures Funds	0.0	76.0	0.00	0.00	0.0	76.0	0.00
Derivatives Funds	0.0	77.0	0.00	0.00	0.0	77.0	0.00
Structured Products Funds	0.0	78.0	0.00	0.00	0.0	78.0	0.00
Investment Funds	0.0	79.0	0.00	0.00	0.0	79.0	0.00
Real Estate Funds	0.0	80.0	0.00	0.00	0.0	80.0	0.00

**CURRENCY**

**Dollar**

NEW YORK - The dollar rose against the yen and the pound on Tuesday, but fell against the Swiss franc and the German mark.

The dollar gained 0.15 percent against the yen to 148.75, and 0.10 percent against the pound to 1.6450. It fell 0.05 percent against the Swiss franc to 1.4850, and 0.02 percent against the German mark to 1.7500.

The dollar also fell against the Italian lira to 1,935.00, and the Japanese yen to 148.75. It rose against the Australian dollar to 1.5500, and the New Zealand dollar to 1.2500.

The dollar was steady against the Hong Kong dollar at 7.8000, and the Singapore dollar at 1.3600. It rose against the Thai baht to 20.5000, and the Malaysian ringgit to 2.3600.

The dollar was steady against the South African rand at 13.5000, and the Botswana pula at 1.8000. It rose against the Lesotho loti to 1.8000, and the Namibian dollar to 1.8000.

The dollar was steady against the Zimbabwean dollar at 10.0000, and the Mozambican metical at 200.0000. It rose against the Angolan kwanza to 200.0000, and the Congolese franc to 200.0000.

The dollar was steady against the Cote d'Ivoire franc to 200.0000, and the Senegalese franc to 200.0000. It rose against the Guinean franc to 200.0000, and the Sierra Leonean leone to 200.0000.

The dollar was steady against the Liberian dollar to 200.0000, and the Nigerian naira to 200.0000. It rose against the Kenyan shilling to 200.0000, and the Ugandan shilling to 200.0000.

The dollar was steady against the Tanzanian shilling to 200.0000, and the Zambian kwacha to 200.0000. It rose against the Malawian kwacha to 200.0000, and the Swazi lilangeni to 200.0000.

The dollar was steady against the Botswana pula to 1.8000, and the Lesotho loti to 1.8000. It rose against the Namibian dollar to 1.8000, and the Zimbabwean dollar to 10.0000.

The dollar was steady against the Mozambican metical to 200.0000, and the Angolan kwanza to 200.0000. It rose against the Congolese franc to 200.0000, and the Cote d'Ivoire franc to 200.0000.

The dollar was steady against the Senegalese franc to 200.0000, and the Guinean franc to 200.0000. It rose against the Sierra Leonean leone to 200.0000, and the Liberian dollar to 200.0000.

The dollar was steady against the Nigerian naira to 200.0000, and the Kenyan shilling to 200.0000. It rose against the Ugandan shilling to 200.0000, and the Tanzanian shilling to 200.0000.

The dollar was steady against the Zambian kwacha to 200.0000, and the Malawian kwacha to 200.0000. It rose against the Swazi lilangeni to 200.0000, and the Botswana pula to 1.8000.

The dollar was steady against the Lesotho loti to 1.8000, and the Namibian dollar to 1.8000. It rose against the Zimbabwean dollar to 10.0000, and the Mozambican metical to 200.0000.

The dollar was steady against the Angolan kwanza to 200.0000, and the Congolese franc to 200.0000. It rose against the Cote d'Ivoire franc to 200.0000, and the Senegalese franc to 200.0000.

The dollar was steady against the Guinean franc to 200.0000, and the Sierra Leonean leone to 200.0000. It rose against the Liberian dollar to 200.0000, and the Nigerian naira to 200.0000.

The dollar was steady against the Kenyan shilling to 200.0000, and the Ugandan shilling to 200.0000. It rose against the Tanzanian shilling to 200.0000, and the Zambian kwacha to 200.0000.

The dollar was steady against the Malawian kwacha to 200.0000, and the Swazi lilangeni to 200.0000. It rose against the Botswana pula to 1.8000, and the Lesotho loti to 1.8000.

The dollar was steady against the Namibian dollar to 1

CURRENCY MARKETS

Dollar Advances on Rate Prospects

Compiled by Our Staff From Dispatches
NEW YORK — The dollar rose in moderate trading Tuesday as dealers anticipated higher short-term interest rates in the United States and an improvement in the merchandise trade deficit.

Traders bought dollars to square short positions before the U.S. trade report for October, set for release early Wednesday.

Most market participants predicted a slight narrowing in the deficit — not enough to send the dollar sharply higher, but enough to give it a boost, said Kathy Jones, an analyst at Prudential-Bache Securities Inc. in Chicago.

She also said participants were anticipating higher U.S. short-term interest rates.

The dollar rose to 1.7497 Deutsche marks from 1.7415 on Monday, and it advanced to 123.315 yen from 122.875. Against the Swiss franc, the dollar closed at 1.4717, up from 1.4653, and the U.S. currency ended at 5.9790 French francs, above 5.9540 on Monday.

The British pound slid to \$1.8200 from \$1.8425. Worries about the British trade deficit hurt the pound as hopes of an interest rate rise receded after the announcement on Monday of a 0.5 percent fall in British retail sales last month.

An industrial survey of the Confederation of British Industry pub-

London Dollar Rates

Table with columns: Currencies, Bid, Ask, Bid, Ask. Includes Deutsche mark, Pound sterling, Japanese yen, Swiss franc, French franc.

lished Monday warned that the trade balance would not improve next year if the pound remained uncompetitively strong.

Traders said that weakness in the pound contributed to the dollar's advance and that possible credit tightening in West Germany had been discounted by the market.

Copalan Nair, a vice president of Dresel Burnham Lambert Inc.'s foreign exchange department, said he still would characterize the market overall as bearish, but "people are getting more and more nervous about their bearishness."

Earlier, the dollar rose in London, ending at 1.7485 DM, up from 1.7425, and at 123.15 yen from 122.80. The U.S. unit ended at 1.4705 Swiss francs, up from 1.4665, and at 5.9725 French francs, compared with 5.9520.

The pound fell to \$1.8275 from \$1.8410. Sterling also fell to 3.1968 DM from 3.2098 on Monday, and on its trade-weighted index, it dropped to 77.8 from 78.2.

The dollar began to edge higher Tuesday on news that U.S. retail sales rose 1.1 percent in November, higher than an expected 0.5 percent. The currency added to its gains on the announcement that the third-quarter current account deficit narrowed to \$30.89 billion from \$33.74 billion, a smaller gap than the anticipated \$32 billion.

Dealers said the retail data fueled fears that the Federal Reserve Board would opt for tighter credit during the policy-making Federal Open Market Committee's meetings Tuesday and Wednesday.

But doubts persisted over whether the central bank would try to influence the federal funds rate higher or take the more overt step of raising the discount rate, which it charges on loans to banks. The discount rate is currently 6.5 percent.

Short-term interest rates rose in anticipation of Fed tightening. Three-month bill rates rose to 8.10 percent from the 7.98 percent at the weekly auction on Monday. Six-month bills rose to 8.31 percent from 8.21 percent.

In the long end of the market, rate fears sent the bellwether 30-year bond to 100 7/32 from 100 18/32, and the yield rose to 8.943 percent from 8.960 percent on Monday. (UPI, Reuters, AFP)

Metals Prices Plunge at End Of Mine Strike

LONDON — Base metal prices tumbled Tuesday on the London Metal Exchange after union leaders ended a two-month miners' strike over pay and working conditions in Peru, a major producer of copper, zinc, lead and silver.

The price of copper for delivery in three months fell \$100 a metric ton from Monday to about \$2,980. Last week, copper prices hit a record \$3,200 as a result of short supply.

Zinc, which hit a record \$1,570 a ton for three-month delivery at the start of December, was trading at \$1,470 on Tuesday, down around \$20 from Monday.

The London market had generally anticipated an end to the Peruvian strike, but the announcement was sufficient to spark selling. London metal traders said.

"The market had been expecting some settlement as the strike had been on for a long time," said Robin Blair, an analyst at Rudolf Wolff & Co. As a result, it had "probably seen its greatest impact already."

Salinas Ends Mexican Wage and Price Freeze

By Larry Rohrer
New York Times Service

MEXICO CITY — In his first major economic policy decision since taking office Dec. 1, President Carlos Salinas de Gortari of Mexico announced that he will end the freeze on wages, prices and the exchange rate that has been in effect for the past year.

As part of his plan, Mr. Salinas is seeking a slow but steady devaluation of the peso and what he called "moderate adjustments in wages." The plan, announced Monday night, is to take effect Jan. 1 and last through July.

The Salinas plan replaces a set of controls that his predecessor, Miguel de la Madrid, announced a year ago as part of an inflation-fighting effort.

The new package also includes what was called a "structural modification of tariffs so as to diminish current dispensations."

Though no specifics were offered, the package is likely to lead to increases in tariffs on imported consumer goods. Imports have been flooding into Mexico recently since the country began the tariff liberalizations required by its entry into the General Agreement on Tariffs and Trade, the world trade body.

The value of Mexico's imports this year is expected to increase 50 percent over last year's level, to more than \$18 billion.

The import surge has been a cause of a sharp drop in Mexico's foreign reserves, from an all-time high of \$16 billion last spring to less than \$10 billion, private-sector economists estimate.

The new government package envisions a gradual devaluation of the peso against the dollar by one peso a day on average through July 31. Since last Dec. 15, the peso has traded at 2.270 to the dollar, and Mexican exporters



Carlos Salinas de Gortari

have complained that the lack of exchange-rate flexibility has hurt their competitiveness.

The new agreement, which is the result of intense negotiations between the government and labor and business groups, also calls for "increases in the prices of some goods produced by the public sector."

Worker discontent was a major factor in the opposition's strong showing in the July 6 presidential election, in which Mr. Salinas won only 50.7 percent of the vote.

A member of the president's staff said the minimum wage was likely to rise 8 percent over month under the new agreement.

Businesses are expected to be most adversely affected by the accord, officially called the Pact

for Stability and Economic Growth. Leaders of national business groups promised to recommend to their members that they absorb wage and cost increases for the seven-month life of the agreement, while "maintaining prices in effect at this date."

But Mr. Salinas promised business that he would try to ease government regulations and red tape. The agreement also calls for establishment of a national council in which business and labor groups would be represented, along with the government, in determining what policies go into effect after July.

In his speech, Mr. Salinas repeated the call made in his Dec. 1 inaugural address for a prompt renegotiation of Mexico's \$104 billion foreign debt.

A further definition of Mr. Salinas's intentions will come on Thursday, when he is required to submit his budget for next year.

Debt Reduction Proposals

Latin American finance ministers meeting in Rio de Janeiro have agreed on a series of proposals regarding debt problems that their presidents want to put before the Group of Seven industrial nations, Reuters reported from Mexico City.

The finance ministers of Argentina, Brazil, Colombia, Mexico, Peru, Uruguay and Venezuela agreed on three basic market-based debt strategies that will be reviewed by their presidents before being proposed to creditors.

The proposals include so-called exit bonds, which enable debt negotiations to be simplified by reducing the number of creditor commercial banks involved and leave only the major creditors with a continuing commitment to debtor countries.

Analysts Welcome Devaluation of Ruble but Stress Need for Change in Soviet Economy

By Jonathan Fuerbringer
New York Times Service

NEW YORK — The Soviet Union's plans to devalue the ruble by 50 percent during the next two years is a necessary first step toward making the currency convertible but must be accompanied by significant changes in the economy, according to economists, analysts and executives.

These experts warned that routine trading of the ruble in foreign exchange markets was still years away.

"I don't think of it as a major change," John Hardi, a specialist on the Soviet economy at the Congressional Research Service in Washington, said of the proposed ruble devaluation. "I think of it as a step in the process."

Franz M. Hoerhager, vice president of Creditanstalt-Bankverein, an Austrian

bank that deals extensively with the Soviet Union, said, "If anything, it means the value of the ruble gets more realistic."

The plans announced Friday would devalue the ruble by 50 percent in relation to the dollar and other currencies in January 1990 for export and import trade only. In 1991 there would be a new ruble exchange rate but it was not made clear what that rate would be.

The ruble is currently not convertible to dollars or other Western currencies and cannot be taken out of the country. An artificial exchange rate that greatly overvalues the ruble is set by the government. The official rate now values the ruble at about \$1.60, but on the black market in the Soviet Union, the ruble is worth about 20 cents.

Because the full details of the devaluation and how it will be carried out are not

known, the effects of the change are difficult to assess.

In general, the devaluation should make Soviet exports less expensive and imports more expensive. It is not clear whether the higher costs of imports would be passed on to Soviet consumers or absorbed by the state. Consumer goods, mostly agricultural products, account for much of what the United States exports to the Soviet Union.

The effect on American companies in joint ventures in the Soviet Union is also unclear. The devaluation could lower the expected profit from sales in the Soviet Union. But some companies are already prepared for this.

Paul Koeny, the legal counsel for Tambrands Inc., said his company, which makes tampons and sanitary napkins, anticipated some lowering of the value of the ruble when it negotiated its joint venture

with the Soviet government. "So paper, it's true, we will be getting less," he said. "But in fact we anticipated this, and we will not be getting less than we expected to get."

It is also not clear how the change would affect the Soviet Union's regular trading partners in Eastern Europe or whether the devaluation would be applied to their currencies.

Several trade regulations announced Friday, some of which had been hinted at earlier. Under the new regulations, Soviet enterprises would be able to buy and sell such hard currencies as the dollar, the Deutsche mark and the yen in sales set up by the government.

Among the other proposed changes were an unspecified revision in customs tariffs and the granting of permission, starting in April, for state-owned enterprises and co-

operatives to deal directly with foreigners.

As had been previously announced, new regulations would allow foreigners to own a majority of a joint venture in the Soviet Union. Foreigners are now limited to 49 percent ownership. No date was set for the change in ownership rules.

For the ruble to become truly convertible, the Soviet Union must do more than make an announcement, analysts said. For one thing, they said, the devaluation must be more than 50 percent. More important, the Soviet economy, particularly the pricing system, will have to be changed, they added.

The perestroika program of the Soviet leader, Mikhail S. Gorbachev, is an effort to greatly enhance the influence of market factors on the Soviet economy. But the program has only begun and there is a long way to go.

Cost of a Quake in Tokyo

Agence France-Press

TOKYO — A major earthquake in Tokyo, feared within a decade, would undermine the world economy, a leading Japanese bank said Tuesday.

A report by Tokai Bank Ltd., Japan's sixth-largest bank, said a major quake would cause at least \$60 billion (¥650 billion) in property damage, cause a severe contraction of the Japanese economy and spark worldwide aftershocks.

The bank based its predictions on a report by the National Land Agency, which estimated the impact of a tremor similar to the Kanto earthquake of 1923, which destroyed most of Tokyo and Yokohama, killing more than 142,000 people.

If a similar quake had struck on Sept. 1 this year in that region, reconstruction would cost \$19 trillion yen, forcing Japan to raise funds by reducing investment in the United States, the bank estimated. That would send prices of U.S. securities plummeting, drive interest rates higher and pressure debtor nations.

Had the tremor occurred in September, world economic growth would have been curtailed by 0.3 percentage point in 1989, rising to 2.6 points in 1994, the bank said.

Tuesday's OTC Prices. NASDAQ Prices as of 4 p.m. New York time. This list, compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year. Via The Associated Press.

Table of OTC prices with columns: 12 Month High, Low, Stock, Div, Yld, PE, High, Low, 4 P.M. CLOSING.

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The Daily Source for International Investors.

Death of Its Chairman Sends FAI Stock Down

Compiled by Our Staff From Dispatches

SYDNEY — Larry Adler, founder and chairman of FAI Insurance Ltd., died early Tuesday, according to Rodney Adler, his son. The news sent the company's stock sharply lower.

FAI shares fell 50 cents (42.96 U.S. cents), to 2.60 dollars (\$2.23), wiping 100 million Australian dollars off the company's market value.

Sydney Adler, who was 57, suffered a heart attack 10 days ago and died in a hospital early Tuesday.

The directors of FAI Insurance Ltd. will be meeting during the course of this week, following which a public announcement will be made on all relevant matters, said Rodney Adler, an FAI director, in a statement to the stock exchange.

The Adler family has a 40 percent stake in FAI. (AFP, Reuters)

First Chicago to Acquire Unit From J.P. Morgan

Reuters

NEW YORK — J.P. Morgan & Co. said Tuesday that it had agreed to sell a subsidiary, Morgan Shareholder Services Trust Co., to First Chicago Corp. for undisclosed terms. Subject to regulatory approval, the closing is expected in the first half of 1989.

J.P. Morgan said the transaction was not expected to have a material effect on earnings. Morgan Shareholder Services handles 7 million shareholder accounts for 350 corporations.

J.P. Morgan said First Chicago would retain the unit's 900-member staff and location in the New York financial district.

BOOKS

EDWARD R. MURROW: An American Original

By Joseph E. Persico. 562 pages. \$24.95. McGraw-Hill Book Co., 1221 Avenue of the Americas, New York, N. Y. 10020.

Reviewed by Anne Chamberlin

IT'S hard to imagine how there could be much left to say about Edward R. Murrow. He kept no diaries, did not confide in his friends — and two previous biographies were in print as this one got under way.

But Joseph Persico, whose next book contract pits him against Kitty Kelley for a biography of Nancy Reagan, is not to be lightly put off. He feels especially drawn to the topic, he says, having heard Murrow's London broadcasts as a boy, and having worked for the U.S. Information Agency when Murrow was his boss.

But after looking at the man from every conceivable angle, from his narrow feet (in shoes handmade in Scotland) to his oversized head ("When Ed tried on a hat," confides a friend, "they suggested he ought to wear the box it came in"), one marvels that anyone so remote and sepulchral could have held so much of the world in the palm of his hand.

The answer, of course, is that Murrow the man has been subsumed by Murrow the broadcaster. The electronic image, larger than life, has engulfed the reality and swept it out of range. At first the image has the biographer on the ropes. "Edward Murrow came into the world on the cusp of a new age," Persico proclaims. Young Murrow's stint as a lumberjack in the forests of the state of Washington brings living Technicolor, in a spray of commas: "He felt, at one moment, overpowered, a speck in the cosmic design, and, then, God-like, as he stood on a mountaintop and looked upon the untrammeled beauty spread at his feet."

Back on planet Earth, the legendary wit and charm that led women to swoon and the mighty to seek out Murrow's company never quite communicate themselves in print. But Murrow's peculiar talents — he raised silence to an art form, from the soundless echoes of his frequent black moods to the studied pauses in his broadcasts — and the conjunction of events that propelled him into a career that didn't exist until he created it is an absorbing tale that Persico tells compellingly.

But Murrow was not just another pretty voice. His collection of contacts could choke a Rolodex. While other London reporters slashed through red tape or waded through endless channels, Murrow called Winston Churchill at will. Direct. Back in the United States for a visit, he and Janet dined alone at the White House with Franklin and Eleanor Roosevelt the night Pearl Harbor was bombed. Eleanor scrambled the eggs.

Even history seemed to meet him half way — Britain's finest hour was Murrow's as well. He thrived on the risks and hardships of the Blitz, dropping 30 pounds on a diet of cigarettes, coffee and raw nerves. His flight with a night bombing crew over Germany became the benchmark of courage, terror and glory that the rest of life was measured against, and life forever after fell short.

Behind the image, there were odd chunks in the armor all along. He made much of his humble origins, but happily mingled with Britain's upper crust. He "aspired to be an English gentleman," one friend recalls. "I

thought of him as Sir Edward." His shoulders stooped from carrying the weight of the world, and he was said to stalk the tunnels of BBC "wearing his customary crown of thorns." But he declined to vote in U.S. elections, confiding to Janet that it might impair his professional objectivity — which didn't stop him from quietly coaching Adlai Stevenson on how to use television in 1952. He won lasting fame and honor for exposing the excesses of Senator Joseph McCarthy, yet signed the McCarthy-inspired CBS loyalty oath without a murmur. "You have to choose your battles," he explained.

The core of Murrow's character, Persico writes, "attested to by virtually everyone who knew him, was incorruptibility, an honesty as reliable as true north on a compass." But true north could take a beating in the crunch. When he applied for his first job at CBS, he falsely claimed he had majored in political science and international relations; alleged he had gone to the "more impressive" University of Washington; invented an MA from Stanford when he hadn't been near the place; and added five years to his age. The CBS public relations staff had to hustle in later years to disentangle him from his own "facts." A heavy contributor to the Murrow myth was Murrow himself.

Anne Chamberlin, a Washington writer, wrote this for The Washington Post.

BEST SELLERS

The New York Times. This list is based on reports from more than 2,000 bookstores throughout the United States. Weeks on list are not necessarily consecutive.

Table with columns: Rank, Title, Author, Weeks on List. Includes 'THE SANDS OF TIME' by Sidney Sheldon, 'THE CARDINAL OF THE KREMLIN' by Tom Clancy, 'ONE' by Richard Bach, etc.

Table with columns: Rank, Title, Author, Weeks on List. Includes 'GRACE' by George Burns, 'ALL I REALLY NEED TO KNOW I LEARNED IN KINDERGARTEN' by Robert Fulghum, 'CHILD STAR' by Shirley Temple Black, etc.

World Stock Markets

Via Agence France Presse. Closing prices in local currencies, Dec. 13

Table of stock market data for Amsterdam, London, and other European markets. Columns include market name, closing price, and percentage change.

Table of stock market data for Tokyo, Osaka, and other Asian markets. Columns include market name, closing price, and percentage change.

Table of stock market data for Sao Paulo, Rio de Janeiro, and other South American markets.

Table of stock market data for Caracas, Bogota, and other Central American markets.

Table of stock market data for Santiago, Lima, and other South American markets.

Table of stock market data for Mexico City, Havana, and other Latin American markets.

Table of stock market data for Sydney, Melbourne, and other Australian markets.

Table of stock market data for Perth, Auckland, and other Pacific Rim markets.

Table of stock market data for various international markets including Zurich, Geneva, and others.

Table of stock market data for various international markets including London, New York, and others.

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ACROSS

- 1 Bluefin
5 Separate
10 Liberate
14 Chemical compound
15 Cherish
16 Scintilla
17 Train
18 Eschew
19 Decays
20 Always jealous?
22 Attack
23 Crop
24 Similar
26 Before, to the Bard
29 Summer treats
31 Red Guard, e.g
35 The last one is not least
37 Reliable
38 Arabian prince
39 Due follower
41 Hogwash
42 Large, showy herb
43 Augment
44 Event at Versailles: 1919
45 Hewing tool
50 Writers' output, for short
51 Piquant
53 Comfort
55 Alberta item
58 Sending nary a note on Feb. 14?
63 Vapor: Comb. form
64 "Middling" bones: Comb. form
65 "Behold," dear Brutus
66 Sector
67 Why some carry a torch?
68 Singe
69 Split
70 Stiller's partner
71 Lug

Crossword puzzle grid with numbers 1-71 indicating starting positions for across and down clues.

WEATHER

Table of weather forecasts for Europe, Asia, North America, Africa, Latin America, and Oceania. Columns include region, high, low, and conditions.

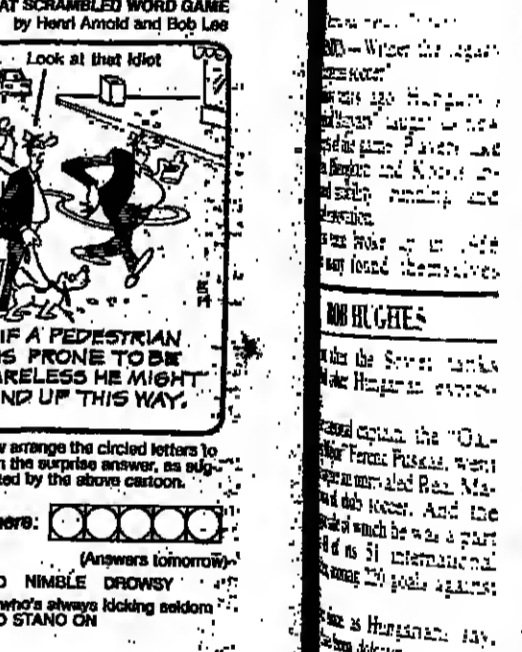
DENNIS THE MENACE



JUMBLE

Word game puzzle with a grid of letters and clues. Includes the word 'LOGUM' and 'PUJEL'.

ANDY CAPP



PEANUTS

- 11 What fans do
12 Kett of comics
13 Orient
14 Event at Versailles: 1919
15 Hewing tool
50 Writers' output, for short
51 Piquant
53 Comfort
55 Alberta item
58 Sending nary a note on Feb. 14?
63 Vapor: Comb. form
64 "Middling" bones: Comb. form
65 "Behold," dear Brutus
66 Sector
67 Why some carry a torch?
68 Singe
69 Split
70 Stiller's partner
71 Lug

Comic strip panel of Peanuts featuring Snoopy and Woodstock.

BLONDIE

Comic strip panel of Blondie and Dagwood.

BEETLE BAILEY

Comic strip panel of Beetle Bailey.

WIZARD of ID

Comic strip panel of Wizard of Id.

REX MORGAN

Comic strip panel of Rex Morgan M.D.

GARFIELD

Comic strip panel of Garfield.

Solution to Previous Puzzle

Grid of letters for the solution to the previous crossword puzzle.

DOONESBURY

Comic strip panel of Doonesbury.

DOONESBURY

Comic strip panel of Doonesbury.

DOONESBURY

Comic strip panel of Doonesbury.

DOONESBURY

Comic strip panel of Doonesbury.

DOONESBURY

Comic strip panel of Doonesbury.

DOONESBURY

Comic strip panel of Doonesbury.

Vertical text on the right edge of the page, including 'Hockey' and 'Great One'.

SPORTS

At Hockey's Throne, Lemieux or Gretzky?

The Great One' No Longer Stands Alone Atop the NHL

By Robin Finn
NEW YORK — Mario Lemieux bigger, stronger, taller, younger than Wayne Gretzky...

but is wary of looking for it in his own mirror.

The two men can be infuriatingly humble. "You never lie awake nights worrying about who's better because who does that get you?" Gretzky said.

"He may be out there piling up points, but I still compare me to me. That's been my only realistic standard. But we don't know if Mario has even found his yet."

"The comparison has gotten kind of tiring," Lemieux said. "I'm sure Wayne feels the same way about it as I do. We have fun pushing each other to be better, but we each want to be known for just ourselves."

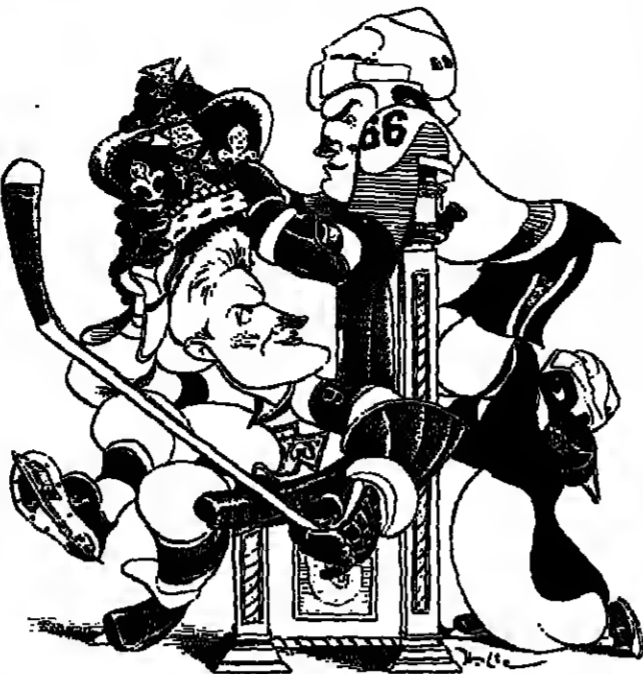
Although Lemieux has gradually gained recognition for his dominating assault on opposing defenses, a bold style that contrasts with Gretzky's evasive maneuverings in the enemy zone, he hasn't yet intertwined his statistics with the sort of charisma that surrounded Gretzky's career from the start.

Everybody, except for the odd opposing goaltender, liked Wayne. There was no one like Wayne...

"He wasn't the second coming, but he was close," said Gordie Howe, one of the handful of legends who noticed it was time to begin to step aside when Gretzky shared the league lead in scoring in his very first NHL season, 1979-80.

And now the big guy from Pittsburgh is coming along, but he's not his yet.

Gene Ubriaco, the Penguins' coach, is sensitive to Lemieux's dilemma. "Mario came into the league having to overcome Wayne Gretzky's records and his aura... he's already beaten one and he's



Michael Winnett

working on everything else."

Urbano said. "I often wonder whether Wayne Gretzky could follow Wayne Gretzky. What he's done is just awesome; he set marks like Mount Everest, and now Mario is climbing, or at least attempting, that altitude, too."

Gretzky's supremacy was inevitable until Lemieux, fulfilling the potential first introduced in Pit-

sburgh four years ago, took away the scoring title in 1988.

Like the 27-year-old Gretzky, Lemieux has never scored fewer than 100 points a season since coming to the NHL. This season, Lemieux already has 72 points on 28 goals and 44 assists, while Gretzky has 71, on 23 goals and 48 assists.

But unlike Gretzky, the 23-year-old Lemieux, gangly and powerful with

spidery limbs that outreach all others, has never tested his talent in the playoffs. The predicament galls him. And if there's a rub that lies within their respectful rivalry, that's it.

"There is a difference for me, and winning the scoring title last year didn't change it," Lemieux said. "What he's done in the past by winning those four Stanley Cups and all the m.v.p. awards is certainly something I'd like to do. I want to be recognized as a great winner, too, not just a good player."

Getting Pittsburgh into the playoffs, now that he secured his \$1.6 million contract as proof of his and the club's mutual indebtedness, is Lemieux's singular mission.

Now playing in Los Angeles, Gretzky has kept pace of Lemieux in this season's scoring sprint, single-handedly filling seats and increasing concessions sales.

Gretzky, given to serpentine swirls on the ice and famous for his thoughtful reconnoitering sessions behind the opposition's net, remains the sentimental favorite when hockey experts ponder the formation of a dream team. But Lemieux, based on his revived spirit over the past year, has his share of converts.

"They both intimidate the same way, but there's sort of an aura about you when you're perceived as a winner," said Mike Bossy, another player whose records were eclipsed by Gretzky.

The Edmonton coach, Glen Sather, who said it had pained him to trade Gretzky, had an automatic response when faced with a choice between the two centers.

"I would have Wayne on my team because I know him and like him, and my choice has nothing to do with Mario's talent," Sather said. "I know what Wayne can do, and I'd be very happy to have him back here."

Work ethic, an area where Lemieux had shown himself erratic until last season, sealed Terry O'Reilly's mindings on just who is the more valuable center.

"I'd have Wayne for my team because he works hard and sets a good example for the rest of the players," said O'Reilly, coach of the Boston Bruins. "He's in the same superstar mold as Bobby Orr; he works hard and shows up every night."

Dolphins 38, Browns 31 On Marino's 404 Yards

MIAMI (AP)— Dan Marino passed for four touchdowns and 404 yards, including a 46-yard bomb to Fred Banks in the final minute that set up the winning touchdown, as the Miami Dolphins beat the Cleveland Browns, 38-31, Monday night.

Don Strock, released last August after 15 years with the Dolphins, including five as Marino's backup, threw touchdown passes of three and two yards to Reggie Langhorne in the final six-and-a-half minutes to tie the National Football League game at 31.

Strock replaced Bernie Kosar, who suffered a sprained left knee. After Strock's second touchdown pass with 59 seconds left, Marino moved Miami 63 yards in four plays to set up the winning score. The Browns still can clinch an AFC wild-card playoff berth by beating the Oilers on Sunday.

Hungary's Soccer Magic Gone

Trades and Intrigue Cloud a Reputation for Innovation

International Herald Tribune

LONDON — Wider the legacy of Hungarian soccer? Thirty years ago Hungary's "Magical Magyars" taught us new concepts of the game. Players like Puskas, Hidegkuti and Kocsis introduced mobility, cunning and tactical innovation.

That team broke up in 1956 when many found themselves

German Cup final day he naturally scored the winning goal against Borussia Dortmund.

But the rapport between Detari and his new fans couldn't last. He did nothing wrong. Frankfurt received an offer that couldn't be refused (and may never be paid in full).

George Koskotas, media and banking magnate, and a fugitive from U.S. law, was back home in Greece, offering money as though he invented it.

Koskotas skipped America while on bail for fraud, landed in Finland, and won a takeover battle for the Olympiakos club. He promised the earth, and he scoured the earth for stars.

Juan Gilberto Funes came from Argentina, Diego Aguirre from Uruguay and Nikos Anastopoulos was recruited from Italy.

They cost a mere \$18 million. The jewel had yet to be placed in Koskotas's crown. He was outbid for West Germany's Olaf Thon and the Soviet Alexander Zavarov.

But Detari came. Frankfurt accepted an offer in excess of \$3 million, but in pre-season training, Detari was hurt. He was flown to Sweden, where floating bits of bone were plucked out of his knee.

When you are that expensive, normal recuperation is not permitted. Detari was back before he could say dolozunk—players learn to take the medicine and play on. A short-lived career gets shorter.

Physical problems are one thing; mental ones quite another. Detari must have wondered about his new environment when the Uruguayan Aguirre failed a drug test and Olympiakos tried off-loading him to Fiorentina, a deal the Italians aborted.

Detari was allowed to play (and play well) for Hungary in a hard-fought World Cup qualifying victory over Northern Ireland on Oct. 19. Four days later, after Detari had left Budapest, police rounded up suspects in a Hungarian match-fixing scandal.

Sandor Sallai, his colleague on the national team and former colleague in the Hungarian Army team, Honved, became one of 39 arrested on suspicion of receiving cash to lose league games.

They await trial. Detari's name has carried on the wind of rumors, but no police have come to his door.

His relief is mitigated. His new club Olympiakos is having a rotten season. Players have been heavily fined for failure, the fans have rioted, the new benefactor has fled.

Koskotas isn't on the run from Greek fans, volatile though they are. He departed ahead of new charges of large-scale embezzlement and foreign currency irregularities involving Olympiakos.

It will surprise you to know that one of the creditors who may have to wait a while to be paid in full is Eintracht Frankfurt. Another may be Lajos Detari, though like it or lump it, the acting club president of Olympiakos assures the blind-eyed boy he will stay the agreed three years.

Home or away, the Hungarian is in a fix. Detari is one who can play



George Koskotas, deal-maker.

like the Magyars of old. They defected when their homeland became occupied, and the Hungarian youth team, also on tour in '56, stayed abroad, too.

With the decline and disillusionment, even Magical Magyars stagnate. "More and more people are thinking about the game," said Nandor Hidegkuti, the 1956 center-forward. "The more they think, the worse it becomes."

Hidegkuti set a trend with his deep-lying, center-forward style. But as a coach in Italy, then Egypt, he discovered, as Detari is discovering, how complicated the game can grow.

Hungary's domination was of a simpler game in a simpler world.

Rob Hughes is on the staff of the Sunday Times.

SCOREBOARD

FOOTBALL

NFL Standings

Table with NFL Standings columns: Conference, Team, W, L, T, Pct., PF, PA.

NATIONAL CONFERENCE

Table with National Conference Standings columns: Team, W, L, T, Pct., PF, PA.

MONDAY'S RESULTS

Table with Monday's Results columns: Team, Score.

HOCKEY

NHL Standings

Table with NHL Standings columns: Conference, Team, W, L, T, Pct., GF, GA.

CAMPBELL CONFERENCE

Table with Campbell Conference Standings columns: Team, W, L, T, Pct., GF, GA.

WALSH CONFERENCE

Table with Walsh Conference Standings columns: Team, W, L, T, Pct., GF, GA.

BASKETBALL

NBA Standings

Table with NBA Standings columns: Conference, Team, W, L, T, Pct., Pts., Reb., Stl., Bk.

WESTERN CONFERENCE

Table with Western Conference Standings columns: Team, W, L, T, Pct., Pts., Reb., Stl., Bk.

EASTERN CONFERENCE

Table with Eastern Conference Standings columns: Team, W, L, T, Pct., Pts., Reb., Stl., Bk.

MONDAY'S RESULTS

Table with Monday's Results columns: Team, Score.

NBA Leaders

Table with NBA Leaders columns: Team, Player, Stat.

COLLEGE TOP 20 RANKINGS

Table with College Top 20 Rankings columns: Rank, Team, Conf., W, L, T, Pct., Pts., Reb., Stl., Bk.

Discipline In Doubt in NCAA Case

By Sally Jenkins

WASHINGTON — Officials at the University of Nevada-Las Vegas say they will ask the NCAA not to pursue any further disciplinary action against Jerry Tarkenton, contending that the basketball coach was punished enough during a 12-year legal dispute with the governing body of college athletics.

That dispute apparently ended Monday when the U.S. Supreme Court ruled that the National Collegiate Athletic Association did not have to safeguard Tarkenton's constitutional rights during its investigation of him for recruiting violations at UNLV. The court said the NCAA is a private, not a public institution.

Tarkenton's coaching future is unclear because the ruling leaves open the possibility that UNLV could be expelled from the NCAA if it refuses to suspend the coach for two years, as the NCAA had ordered.

The "Runnin' Rebels" were placed on probation in 1977 for a series of recruiting violations and were ordered to suspend Tarkenton, but the coach challenged the order and won a court injunction to prevent his suspension. The basis for the injunction was overturned by the U.S. Supreme Court.

"After 12 years, I would expect the NCAA not to pursue any action against Jerry Tarkenton," the UNLV president, Robert Maxson, said. "Coach Tarkenton has surely been through enough."

Dick Smith, executive director of the NCAA, declined comment on Tarkenton's future, saying the NCAA's infractions committee will meet to decide the issue. If it again seeks Tarkenton's suspension, and the school refuses, the NCAA could throw the school out of the organization.

The \$2 Million Club Doubles in Baseball

By Murray Chass

NEW YORK — The number of major league baseball players earning \$2 million or more doubled in the past year, according to a study of salaries for 1988.

The study, conducted by The New York Times and based on salary information obtained from management and player sources, disclosed that 12 players earned \$2 million or more this year compared with six last year. (See Scoreboard)

That increase was proportionately much greater than the rise in the number of players earning between \$1 million and \$2 million. In 1987, that number was 54; this year, it was 62. That made the overall total of players earning \$1 million or more 74 compared to 60 a year ago.

Conversely, the number of players who made the minimum salary of \$62,500 dropped from 102 to 82.

If the Kansas City Royals had not released pitcher Dan Quisenberry during the season, the \$2 million list would have had one more player and the minimum list one less.

Quisenberry's Kansas City income was \$2,288,843, but because he was released he was not on the Royals' roster on Aug. 31, which is the date that both the Player Relations Committee and the Players Association use in computing average salaries.

He was, instead, on the St. Louis roster with a \$62,500 salary. He receives the balance of his guaranteed income from the Royals, but it doesn't count in official salary lists.

Last year, Quisenberry was No. 1 on the salary list at \$2,255,509. This year, he was supplanted by Ozzie Smith, who earned \$2,234 million in salary and a prorated share of his signing bonus. Gary Carter of the Mets was second at \$2,298,572.

The Yankees and the Royals are the only teams with two players among the \$2 million earners. Don Mattingly and Jack Clark are tied for 10th with Dale Murphy of Atlanta, each earning \$2 million. The Royals have George Brett eighth with \$2,019,460 and Willie Wilson ninth with \$2,000,761.

The others in the top 12 are Jim Rice, Boston, \$2,286,636; Eddie Murray, who was traded from Baltimore to Los Angeles last week, \$2,281,530; Mike Schmidt, Philadelphia, \$2,115 million; Rick Sutcliffe, Chicago Cubs, \$2,070 million, and Fernando Valenzuela, Los Angeles, \$2,010 million.

Reaching the \$2 million plateau this year were Mattingly, Clark, Murphy, Wilson, Valenzuela, Sutcliffe, and Smith.

The Dodgers and the Red Sox, with six each, had the most players at \$1 million or more, while San Francisco, Pittsburgh, Cleveland, and Seattle had none.



Smith: \$2.34 million.



Quisenberry: \$2.29 million.

BASEBALL

Leading Salaries

Following are 1988 baseball incomes for players making \$200,000 or more. The figures include base salary, prorated share of signing bonus, other guaranteed money and other bonuses, not endorsements.

Table with Leading Salaries columns: Player, Team, Salary.

AMERICAN LEAGUE

Table with American League Standings columns: Team, W, L, T, Pct., Pts., Reb., Stl., Bk.

NATIONAL LEAGUE

Table with National League Standings columns: Team, W, L, T, Pct., Pts., Reb., Stl., Bk.

Selected College Results

Table with Selected College Results columns: Team, Score.

College Top 20 Rankings

Table with College Top 20 Rankings columns: Rank, Team, Conf., W, L, T, Pct., Pts., Reb., Stl., Bk.

TRANSITION

BASEBALL Minnesota—Announced that Randy Bush, outfielder, accepted salary arbitration offer. Signed Ray Smith and Gary Wayne, pitchers, to one-year contracts.

BASKETBALL National Basketball Association Sacramento—Homed Howard Kull as future coach.

FOOTBALL National Football League Phoenix—Signed Mark MacDonnell, coach.

Canadian Football League CFL—Homed Roy McArthur, chairman and chief executive officer. Named Bill Burt president and chief operating officer. Approved the sale of the Toronto Argonauts to Harry Campbell.

HOCKEY Montreal—Re-elected Randy Enothy, president, from Board of the American Hockey League.

NEW JERSEY—Acquired Tommy Albert, defenseman, from the Quebec Nordiques for future considerations.

Advertisement for GOLAY FILS & STAHL watch, featuring a watch image and text: 'SINCE 1735 THERE HAS NEVER BEEN A QUARTZ BLANCPAIN WATCH. AND THERE NEVER WILL BE.'

صحة من الامم

OBSERVER

Losing the Initiative

By Russell Baker

NEW YORK — Written in a coma induced by hundreds of omelets stories and columns about Mikhail Gorbachev's hoping to seize, planning to seize or actually seizing the initiative.

The initiative has been in American custody since 1953, when Secretary of State John Foster Dulles triumphantly brought it back to Washington after seizing it at the United Nations. Dulles had seized it while making a speech. The speech was nothing special, which of course was the idea. Dulles knew that if the U.N. was doing he could seize the initiative and squirrel it back to Washington before anyone knew it was gone.

to live by: "I, What the president doesn't know won't hurt us as long as we don't let anybody else know either."

Note that this rule was applied during the recent showing of the \$500 million (or possibly \$600 million) Stealth bomber. It was shown only from the front view. This was to keep President Reagan from seeing that it has no fuselage; hence does not look a bit like the glamorous airplanes of his movie days; but, to the contrary, looks stunted and ugly, which, if known, would destroy American children's desire to grow up to be pilots.

Dustin Hoffman Takes On Autism

By Donald Chase

THEY couldn't seem less alike, the two men sitting side by side at the counter of the trendy retro-1950s Pink Cadillac Café in West Hollywood, California. Dustin Hoffman, the younger one, wears a modish dark sports jacket, a collar-buttoned but tieless white shirt, and a targeted extrovert gaze as he reads 11 pancake options off a wall menu.

Raymond, who may be 20 years older, not quite soigné in his gray suit and dark tie, his weary eyes seeming to look inward, says he just wants "pancakes."

called from infancy as "Rain Man," out of the substantial inheritance left him by their recently deceased father.

All of Raymond's eating, sleeping, dressing and television-watching rituals that threaten to drive Charlie to distraction are part of the older man's autism. So are his alienation and lack of self-awareness. Raymond's self-mocking reference to maple syrup is a major breakthrough for him. It is about as big an advance as one can expect in an autistic person, because, as Barry Levinson, the director of "Rain Man," says, "Raymond doesn't change. Somebody who's autistic doesn't suddenly become another person. He is who he is."



Dustin Hoffman and Tom Cruise in a scene from "Rain Man."

UCLA Neuropsychiatric Institute and on the East Coast. Though Hoffman claims he is "no expert" on autism, as rehearsals approached, he was feeling the weight of his investigations. "I was very frightened because it was time to fish or cut bait," he says. "The challenge then became to do what I always try to do, which is to bring it home and not try to do a character that is not myself — to find those autistic parts of myself. Because I'm convinced that we're all a little bit autistic, just like we're all a little bit crazy."

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PEOPLE

Finders Keepers, Court Says of Ship's Booty

Barry Clifford, a treasure hunter recovering the contents of the Whydah, an 18th-century pirate ship off the Massachusetts coast, has title to the wreck and all objects he retrieves, the state's highest court has ruled. Since 1982 Clifford has claimed title and all artifacts citing U.S. admiralty law. The state had also claimed title and wanted 25 percent of the artifacts. It has been estimated that the treasure is worth \$100 million or more. About 8,000 coins, cannons, jewelry and other artifacts have been found.

A "jury" of French citizens acquitted King Louis XVI on Monday of "conspiring against public liberty and national security." The TF1 network and Le Figaro Magazine, edited by "Le Capitaine," using a combination of present-day lawyers and costume actors. The controversial lawyer Jacques Vergès, who defended Nazi war criminal Klaus Barbie, played the king's defense lawyer. The result of the vote was 33 percent for acquittal, 27.5 percent for death and 17.5 percent for exile.

The final White House Christmas card that President Ronald Reagan and his wife Nancy will mail to 125,000 of their family shows the mansion's North Portico Hall festooned with red poinsettias and garlands of holiday greenery. It was from a painting by William Williams Jones of the White House. A misty scene, it had help from Rich Little, singing Santa Claus impression in the White House Christmas decorations. "Eight years of Christmas. You won't believe that I'm even going to miss you. Merry Christmas, goodbye and thank you," she told reporters.

Mark Rosenthal, 43, whose painting exhibitions on Jagger and Aretha Kleber have been acclaimed, has resigned as the third and Philip Berman curator of the 20th Century Art at the Philadelphia Museum of Art, effective Dec. 31. Rosenthal said that he is leaving because "I needed a change. I needed to shake up my life."

The musical "Les Misérables" will be made into a movie and Alan Parker, who directed "Mississippi Burning," will direct it.

TODAY'S INTERNATIONAL BUSINESS MESSAGE CENTER. Appears on page 8.

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